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No. 30,603

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PARIS, FRIDAY, JULY 10, 1981

Established 1887

U.S. Plans Firm Economic Stand at Ottawa Summit

Reagan Prepares Counterattack Against European Pressure to Ease High Interest Rates

By Hobart Rowen and Lou Cannon

WASHINGTON — President Reagan will stand firm against European pressures for a change in U.S. economic policy at the Ottawa summit July 19-21, arguing that it is in Europe's best interest for the United States to pursue a tough, anti-inflation policy.

Although the agenda lists only economic issues, White House aides have set a political objective as well. Because the assassination attempt forced Mr. Reagan to cancel a proposed trip to Europe this fall, Ottawa presents a chance for the president to meet with other world leaders, to convince them that he is comfortable dealing with foreign issues as well as domestic.

According to White House aides, Mr. Reagan has become sensitive to intimations that he does not have a foreign policy or that he is weak on foreign issues. As a result, he has spent a good part of each day this week honing up on the economic problems likely to come up in Ottawa.

The Canadian conference will bring together the leaders of the United States, Japan, West Germany, France, Britain and Italy in the seventh of a series that began in Rambouillet, France, in 1975.

Invited to Paris

It will also provide the occasion for the first meeting between Mr. Reagan and President Francois Mitterrand of France, advocates of sharply dif-

ferent economic philosophies. The French Socialist, it was learned, has already extended an invitation to the other leaders to hold the eighth summit in Paris next year.

White House aides feel that the best possible political result in Ottawa would be establishment of a smooth working relationship with Mr. Mitterrand. There is less anxiety now at the White House over inclusion of Communists in the French Cabinet than there was at the time of Vice President Bush's recent visit to France. Mr. Reagan is understood to be avoiding any other statements that would irritate the French, and hopes that he and Mr. Mitterrand can come away from Ottawa with a "mutual understanding."

Whether this can be accomplished remains to be seen. "Mitterrand is a wild card on this summit," says a member of the U.S. team. "No one knows precisely what he will bring to Ottawa, but we know that Europe, and especially the French, are upset with high interest rates." In all probability, the French president will lay emphasis on the need to control rising unemployment in Europe by heavier government spending, a "Keynesian" approach rejected by the Reagan administration.

Mr. Reagan has been bracing himself for confrontation in Ottawa stemming from the depressed state of the European economy, which many blame on high U.S. interest rates. Aides say he is gearing up for a vigorous counterattack, in which he plans to assert that the United States also would like to see lower interest rates but has been "getting its

finger house in order," just as the Europeans have urged in years past.

"People in glass houses shouldn't throw stones," snapped one high administration official, noting that almost all of the European governments urging the United States to forgo a tax cut to reduce the federal deficit are themselves running a bigger deficit than the United States as a percentage of gross national product.

There is a sense that the carefully laid plans for a quiet discussion of wholly economic issues may be shattered by events along the Soviet-Polish border. The Central Committee of the Polish Communist Party is scheduled to meet shortly before the Ottawa summit. "As much as leaders want to focus on the big traditional issues of summits, like the economy and energy," said one presidential aide, "they also like to talk about timely things."

Officials say that if the Soviet Union makes an actual move across the Polish border, "contingency plans" have been made to deal with the situation. Sources said that the administration will sound out its partners at Ottawa on "a concerted approach," involving economic responses, if the Russians move into Poland.

The first two days' sessions will take place in the relative isolation of Le Chateau Montebello, a resort about 40 miles (65 kilometers) east of Ottawa. On the final day, the leaders will return to Ottawa for one more session, issuance of the communiqué, and a joint press conference.

Despite the potential for conflict and controversy, what can be expected at the end of the Ottawa

summit is a diplomatic or vague communiqué — and one much shorter than in the past six years — using compromise language. Myer Rashish, undersecretary of state and the president's representative for summit preparation, said: "There will be no concrete conclusion, no numbers in the communiqué, no specific policy agreements."

Many participating governments believe that in several past summits, the communiqué-drafting process overwhelmed what should have been the main product, greater personal contact among the heads of government. Mr. Rashish and his fellow advance men for the Ottawa summit have consciously tried to provide instead a milieu for personal relationships among the seven leaders. This was the original design of economic summits, as envisioned in 1975 by former President Valéry Giscard d'Estaing of France.

Mr. Rashish says that creating the opportunity for a tour d'horizon by all the participants, rather than getting into details, is all the more important this year because it will be the first summit for four of them, including Mr. Reagan and Mr. Mitterrand. Other neophytes are Japanese Premier Zenko Suzuki and Italian Premier Giovanni Spadolini. The veterans are West German Chancellor Helmut Schmidt, British Prime Minister Margaret Thatcher, and the host, Canadian Prime Minister Pierre Elliott Trudeau. Also present will be Gaston Thorn, president of the European Commission.

Among the strong differences between the Reagan administration's approach and that of his

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4-Hour Strike Stops Poland's Airline Traffic

By John Darnton

WARSAW — In a second successive day of token strikes, about 6,000 employees of the state airline, LOT, suspended work for four hours Thursday morning in a dispute arising over a demand that they be allowed to elect their own general manager.

The protest, believed to be the first strike affecting civil aviation in the Soviet bloc, caused the cancellation of eight domestic flights and delay or cancellation of 14 international flights, strike organizers said.

The action, coming on top of a one-hour walkout by 40,000 dockworkers on Wednesday, raised fears that labor unrest might be starting up again just as the Communist Party is preparing for an emergency congress next week to consider changes in the party's statutes, leadership and overall policy.

In another development, the Supreme Court ordered the reinstatement of three anti-Communist dissidents who are on trial for plotting the violent overthrow of the country's Communist system. The three, together with a fourth man on trial who was allowed to remain at liberty because of ill health, belong to a rightist organization called the Confederation of Independent Poland.

Defiance Charged

The dissidents were released last month under a form of personal recognition after a nationwide campaign that included rallies and hunger strikes. It was sponsored by students, intellectuals and members of the Solidarity union, who argued that the dissidents were being persecuted for their political convictions.

The prosecutor requested their renewed detention in court last Tuesday, asserting that the defendants, particularly confederation leader Leszek Moczulski, had defied court instructions to refrain from political activity.

The prosecutor's demand was turned down by the presiding judge last week, who found that the defendants were complying with the conditions for their release. That decision was overturned.

Moscow Warning

MOSCOW (WP) — The Soviet armed forces newspaper Red Star warned Thursday that counter-revolutionary forces inside and outside Poland have mounted an intensive campaign to subvert the Communist system in Poland "and pull her out of the Socialist community."

British Parliament Erupts Over Rioting

By R.W. Apple Jr.

LONDON — The House of Commons erupted in a storm of bitter recrimination Thursday following a sixth night of urban violence, with Prime Minister Margaret Thatcher forced to shout to make herself heard over the taunts of leftist critics.

While Labor members of Parliament denounced her for "ripping away the fabric of our society," as one of them put it, members of her own Conservative Party demanded tougher law-and-order measures to end the wave of rioting, looting and attacks on the police in inner cities. One Conservative member, John Carlisle, demanded that troops equipped with water cannons, plastic bullets and tear gas be deployed at once.

"We are now considering what other equipment the police may need, and the use of water cannon is certainly not ruled out," the prime minister said, but she gave no sign of a willingness to use troops.

With tempers inflamed, Eric

Heffer, a prominent left-wing Labor MP who represents a Liverpool constituency, repeatedly shouted at Mrs. Thatcher, "You stupid woman." Colleagues could not restrain him.

On Wednesday night, the sixth successive night of rioting, more than 1,000 black and white youths stormed a police station in Manchester, some of them using crowbars and pitchforks. More than 150 shops were shattered and looted. In Liverpool, there was scattered trouble in Toxteth, parts of which were virtually destroyed earlier in the week, and in the Kirkby area as well.

Manchester's chief constable, James Anderson, said at a news conference that what took place in the streets of the Moss Side district "was close to anarchy."

Union Demand

"We believe a kind of military strategy was used, with lookouts and the use of citizens band radios to pass messages," the officer declared. "In the height of the troubles vehicles were being used, including vans, to carry petrol bombs and to manufacture them as they traveled around the streets."

Although neither the police nor the government has made any such accusations, some popular newspapers are suggesting that the riots have been fomented by Trotskyites or by the Irish Republican Army, which has always had considerable strength in Liverpool's big Irish colony.

Meanwhile, the Trades Union Congress called for an immediate \$1-billion action program to solve the problems of the inner cities. The organization's program calls for the creation of new jobs, building and renovating of homes, widening educational opportunities and increasing the recruitment of police from among the ethnic minority communities.

Mrs. Thatcher has strongly resisted any such crash program despite the rioting in Liverpool, Manchester and two sections of London.

On Thursday, during question time in the House of Commons, she said that the experience of other countries showed there was no connection between poverty and violence. She told a Conservative

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'Life' Is Defined By Senate Panel

The Associated Press

WASHINGTON — A U.S. Senate subcommittee Thursday approved legislation defining life as beginning at conception, thereby taking the first congressional step toward overturning the 1973 Supreme Court decision legalizing abortion.

In a major victory for opponents of legalized abortion, the Senate Judiciary subcommittee on separation of powers approved by a 3-2 vote a bill giving unborn fetuses full rights under the Constitution. The bill, which is supported by President Reagan, also would prohibit lower federal courts from considering challenges to the anti-abortion legislation.

Critics say such legislation, if approved by Congress, would make a woman who has an abortion subject to prosecution for murder. But Sen. John P. East, the North Carolina Republican who chairs the subcommittee, said the bill was merely an attempt to send the abortion question back to the states for consideration.

INSIDE OECD Is Gloomy

The Organization for Economic Cooperation and Development in its semi-annual report forecasts a six-month delay in the timing of a general economic upturn until the end of this year. See Page 7.

A New U.S. Voice

A senior State Department official calls on the United States to be "more articulate" in explaining its policy toward the Soviet Union. See Page 3.

TOMORROW Gary's Ghost Story

The late French writer Romain Gary, winner of the Prix Goncourt, and his young cousin Paul Pavlovitch, alias Emile Ajar, winner of another Prix Goncourt, have pulled off the literary stunt of the century. Gary, it turns out, wrote "Ajar's" four best-selling novels. The inside story of the literary scandal that has the French publishing world abuzz in weekend in tomorrow's Trib.

U.S. Shifts Latin Rights Policy

By Judith Miller

WASHINGTON — The Reagan administration, in an expression of its evolving human rights policy, has ordered U.S. delegates to the international development banks to support loans to Chile, Argentina, Paraguay and Uruguay.

The new policy, which reverses that of the Carter administration, was based on a State Department determination that "there have been significant improvements in the human rights situation in those countries," according to a State Department spokesman.

The decision, however, has stirred bitter criticism on Capitol Hill from human rights activists, including Rep. Thomas R. Harkin, Democrat of Iowa.

Congress Informed

The State Department declaration "is simply not true," asserted Rep. Harkin, the primary author of the 1977 law instructing U.S. delegates to international banks to oppose loans to countries that engage in "a consistent pattern of gross violations of human rights." The congressman added, "This decision quite clearly violates the spirit and letter of the law."

Congress was informed of the



A four-hour warning strike paralyzed Warsaw airport Thursday.

Texaco Seeks \$5.5 Billion, Top Loan Ever

By Carl Gewirtz

PARIS — A \$5.5-billion bank loan, the largest international bank credit ever organized, is being put together for Texaco, banking sources in Europe reported Thursday. Texaco is reported to be on the verge of making a takeover bid for another U.S. oil company.

New York banking sources, according to The New York Times, have said flatly that Texaco, the third-largest U.S. oil company, is seeking to acquire Cities Service, the 20th-largest, although persistent reports on Wall Street linked Texaco with Conoco, the ninth-largest.

Cities Service has denied it was engaged in merger discussions. A Conoco spokesman said the company would have no comment. However, analysts said that even if Texaco was considering a bid for either company, the target company would not yet have to know that a takeover was even in prospect.

Texaco's loan dwarfs the previous \$4-billion record loan, a two-year bankers acceptance facility just completed for Pemex, the Mexican state oil company.

The eight-year loan for Texaco is being organized by Chase Manhattan. Because of the size of the operation, Chase has to seek the participation of major banks around the world. Interest on the loan, at current rates, will be more than 18 percent.

Banking sources reported that the late 1979 "guidance" by the Federal Reserve Board that U.S. banks "should avoid loan activity that supports speculative activity" was a dead letter.

"Attitudes change," was the way one U.S. banker in London summed up the situation. "The antitrust questions of such large mergers [as have been announced recently] are not being pursued by the Reagan administration. In addition, the Canadian raid on corporate America dictates a response."

Ogaden Rebels Vow to Fight On

Reuters

MOGADISHU, Somalia — The Western Somali Liberation Front says it will step up its fight against Ethiopian troops in Ethiopia's Ogaden desert despite the appeal for peace in the region by the Organization of African Unity at its summit meeting last month.

The front's secretary-general, Mohammed Dittive Uroob, said at a news conference Wednesday in Mogadishu that his organization "rejects and strongly condemns... the conduct of the OAU summit, reaffirming to the world that it will not relent in its armed struggle but will escalate it to end Abyssinian [Ethiopian] colonialism."

The banker also added that these takeovers are not "speculative activity" but acquisitions that form a part of management strategy on how best to meet the future.

At the same time, Chase is syndicating another \$3-billion loan for Du Pont to finance the cash offer it has made in its bid for Conoco, a deal estimated at \$6.9 billion at current stock prices.

Seagram, the Canadian distilling giant, set a record last year when it arranged a \$3-billion syndicated loan. The proceeds of that loan were clearly intended as a kitty for a takeover bid, and some banks refused to participate without assurances that the bid would be a friendly one. The banks did not want to be embarrassed by financing a bid that might be regarded as unfriendly to one of their own clients.

Unsuccessful Bids

Seagram has since made two unsuccessful attempts to buy U.S. companies — St. Joe Minerals, which preferred to merge into Fluor, and Conoco, for which Du Pont earlier this week offered more money.

The terms on the Texaco loan give participating banks, for the first five years, the choice of accepting the prime rate, as quoted by Chase, or 3/4 percentage point over the London interbank rate, currently 18 3/16 percent.

Terms for the final three years call for the rates to rise to a quar-

ter of a percentage point over the Chase-quoted prime rate or half a point over the six-month London interbank rate. In addition, banks are offered a quarter-percent commercial fee. Only the best-rated industrial countries, such as France, have borrowed in the Euro-market at lower rates.

The flurry of takeover rumors continued when Pennzoil, an integrated U.S. oil company, announced Thursday it has arranged a \$2.5-billion line of credit with a group of 25 U.S. and foreign banks led by Citibank. Reuters reported from New York.

[The company's statement made no mention of takeover plans. It said the commitment is "to provide maximum flexibility to act quickly on various internally or externally generated business situations."

Du Pont's \$3-billion loan is also for eight years and offers banks the same option of setting interest at the prime rate quoted by Chase or 3/4 point over Libor.

Du Pont agreement to buy Conoco for cash and stock would, if completed, be the biggest corporate merger on record. Wall Street professionals, nevertheless, said that they felt almost certain that some new bidder would emerge to outbid even Du Pont's offer of \$87.50 a share.

Seagram had offered \$73 a share for 40 percent of Conoco and made a still-secret offer of \$85 a share.

U.S. Tries Again to Sell Its Salvador Stand

By John M. Goshko

WASHINGTON — The Reagan administration, concerned about continuing domestic and foreign hostility toward its involvement in El Salvador, is mounting a new offensive to build public support for its policy of backing the Salvadoran junta with U.S. arms, money and military advisers.

The new public relations effort is expected to open with a speech by the new assistant secretary of state for inter-American affairs, Thomas O. Enders. The State Department said Wednesday that Mr. Enders planned a speech on El Salvador soon. It is known that tentative plans are for him to give the speech before the Washington World Affairs Council within the next week or two.

According to administration sources, the speech, as contemplated, would have three main goals: to start building a constituency for the administration's policy among leaders of the U.S. foreign-policy establishment; to counter foreign suspicion that has been stirred up by criticism from the new Socialist government in France; and to give a new demonstration of support to the junta's civilian president, José Napoleón Duarte, who has been encountering increasing difficulties with El Salvador's rightists.

Policy Statement

The idea had been opposed by some key administration officials, who think that the best approach is to continue a low profile on the

Salvadoran situation to avoid renewed debate about whether the United States is supporting a repressive regime and heading toward a Vietnam-type involvement. However, the sources said, the debate apparently has been resolved in favor of using the Enders speech as a vehicle for what is likely to be billed as "a major policy statement" on El Salvador.

Underlying the decision is an awareness of suspicion and concern among Americans about U.S. policy on El Salvador. That awareness, the sources said, has been reinforced by opinion polls and by the observations of administration officials who have encountered hostility to the policy on university campuses and who have found such groups as the business community unwilling to take a lead in supporting the policy.

Keeping Mism

In dealing with the criticism, the administration initially took the tack, articulated most forcefully by Secretary of State Alexander M. Haig Jr., that it was drawing the line against subversion in the hemisphere by the Soviet Union and Cuba. That effort only generated more controversy, particularly after a State Department white paper detailing alleged Communist aid to the Salvadoran insurgents was picked apart in press critiques for errors and inconsistencies.

During recent weeks, the administration has said as little as possible about the situation. It even has put on the back burner, at least for now, a projected new white paper that had

been conceived as justifying its evolving Caribbean basin policy by detailing the extent of alleged Cuban and other Communist activity in the region.

However, some administration officials believe that successful pursuit of U.S. policy goals in the hemisphere requires a new effort to build a domestic base of support. Those in this camp have argued that the time to start is now, when the university campuses are in summer recess and when it might be possible to mobilize business and civic groups as a counterforce.

In addition, these officials are concerned about the Socialist French government of President Francois Mitterrand, which advocates a political solution to the Salvadoran civil war that would involve concessions to the leftists and could stir up anti-junta sentiment in Western Europe.

Finally, there is concern that renewed activity by the Salvadoran right could hamper Mr. Duarte's efforts to bring about promised reforms, isolate him from the armed forces, on which support he depends for support, and make him vulnerable to overthrow. For that reason, some U.S. officials believe that a strong, high-level reiteration of Washington's support for Mr. Duarte is imperative now.

Advocates of this approach are understood to believe that a major policy speech, while pointing out anew the alleged Cuban threat, should downplay the rhetoric originally used by Mr. Haig and emphasize U.S. support for democratic reform and economic progress in El Salvador and the Caribbean.



# Reagan Plans Firm Stand on Interest Rates at Ottawa

(Continued from Page 1)  
Western partners is how to aid Third World countries. More generous government-to-government aid is advocated by most of the other participants, notably Mr. Mitterrand and Mr. Trudeau. In keeping with its general philosophy, the Reagan administration wants to pursue more of its foreign aid through the private sector.

### Dependence Seen

Another area of tension is East-West policy. Mr. Reagan wants his partners to adopt stronger export controls on shipments of strategic materials to the Soviet Union, especially for oil and gas equipment. "We don't want to suppress trade with the Eastern bloc," Mr. Rashid said, "but we do want the summit partners to control the transfer of strategic materials and technology."

The United States also worries that Soviet economic leverage is increasing because some Western European countries, notably West Germany, are becoming too dependent on Soviet supplies, such as natural gas from Siberia. These are issues that the

Europeans would rather not face head-on; their economies depend heavily on maintaining a peaceful two-way trade with the East Bloc.

But the Reagan team would like the summit to focus more on such issues than on the so-called North-South problems dealing with the transfer of economic aid to the less developed world. Although last year's summit, at Venice, assigned to this one in Ottawa the task of evolving better North-South solutions, the Reagan preference is to leave those matters to the North-South summit set for Cancun, Mexico, in October.

Mr. Trudeau is making a last-ditch effort to keep the spotlight on North-South issues. He is expected to make one more try in a two-hour session with Mr. Reagan on Friday at the White House.

But Reagan aides are sticking to their plan. "We are not in a position to come up with new initiatives to help the poor countries," a State Department official said. "We have a problem hanging on to what we've got." This is a reference to the likelihood that once a \$3.2-billion authorization for World Bank-subsidized loans runs out in 1983, the

Reagan administration will have trouble getting a new "replenishment" through Congress.

The way things shape up, much of the time at the Canadian summit will be spent on the broad economic issues, with Europe seeking relief from high interest rates and Mr. Reagan selling the virtues of supply-side economics worldwide. Treasury Undersecretary Beryl Sprinkel says that the United States does not really expect to make converts, but hopes to convince the others that it will not change its course.

Although the United States would like to de-emphasize North-South issues, Mr. Reagan will not be able to avoid a discussion of his administration's disavowal of the Venice summit's proposal for an energy affiliate of the World Bank to help develop indigenous energy sources in the Third World. Reaganites do not like the energy affiliate, claiming the job could be better done by the private sector.

But in its final summit preparations, the Reagan administration reached a compromise between Treasury officials, most adamant against the energy

affiliate, and its supporters. The new "positive approach" policy, to be explained at Ottawa, rules out additional U.S. money contributions to the World Bank for this purpose, but invites the lending agency to expand energy development by finding ways of getting a "higher multiplier" out of existing funds.

More broadly on energy issues, the communiqué is likely to stress the need for further reduction in oil imports, coupled with an endorsement of the International Energy Agency's recent warning that conservation efforts should not be relaxed because of the present oil glut.

On trade, the administration will try to support free-trade principles, defusing if possible bitter sentiment in Europe toward Japan for its penetration of consumer and industrial markets. The United States supports the view that Japan must open up its own markets to Western goods. But it wants to keep the communiqué language very general, exposing anti-protectionist principles, and avoiding any hostile language toward its key Pacific area partner.

## French Business Assails Nationalization Plan

PARIS — The president of the French employers' association said Thursday that the Socialist government's nationalization program was "useless, costly and dangerous for France."  
"I am perplexed by the total lack of justification by the government for the nationalization of the pride of French industry," Francois Ceyrac told reporters. "How can you evoke the principle of pluralism and competition in the area of credit and then give the state a near-monopoly in the banking system? It's an economic absurdity."

## Mediators Cling to Hope in Ulster Prison Fast

BELFAST — Members of an Irish Roman Catholic church commission said Thursday that they had not abandoned hope of a settlement in the Northern Ireland hunger strike in which five jailed republican guerrillas have died. But they said no further meetings with British officials were scheduled.  
"In this kind of situation, nobody should say everything is at an end," said the commission chairman, Bishop Dermot O'Mahony, after a night of rioting in Catholic areas of Belfast and Londonderry that followed the death of Joe McDonnell, a 30-year-old Irish Republican Army guerrilla.

## Khomeini Orders Courts To Crack Down on Rebels

LONDON — Ayatollah Ruhollah Khomeini ordered Iranian courts Thursday to crack down decisively on counterrevolutionaries and hinted at a fresh purge of the armed forces.

The order was made indirectly in a message to the armed forces chief of staff, Maj. Gen. Valollah Fallahi, broadcast by Tehran radio and monitored here.

The radio earlier announced the executions Thursday of five leftists in northern Mazandaran province, a traditional leftist stronghold near the Caspian Sea.

The five, described as supporters of the Islamic Marxist guerrilla group Mujahaddin (People's Crusaders) and the ultra-leftist Peykar group, were the latest of more than 100 leftist militants to face the firing squad in the past month.

In his message to Gen. Fallahi, Ayatollah Khomeini thanked the Iranian people for turning in counterrevolutionaries and added: "I hope these American dogs will soon be punished for their actions so that the nation can get rid of them."

He told the courts to deal with such "corrupt elements" with revolutionary decisiveness while observing the limits of Islamic justice.

The revolutionary leader said: "Any lack of decisiveness and effort is to show mercy to the sharp-toothed tiger."

His message, which was to congratulate Gen. Fallahi on a battle victory against the Iraqis at the border town of Nowrud on Wednesday, also hinted at a new purge of the armed forces.

"At the same time as people are obliged to identify plotters and plotting groups and hand them over to the judicial authorities, it is

incumbent on the armed forces all over the country to bring forward to the commanders those who are misguided or misled among them so they can be purged and punished," he said, in an apparent reference to leftists in the armed forces.

### Central Charge

The policy advocated by Abolhassan Bani-Sadr, the former president and commander in chief, of rehabilitating suspect officers to bolster Iran's war effort prompted one of the central charges leveled against him by his Moslem fundamentalist enemies.

Mr. Bani-Sadr was dismissed as commander in chief on June 10. Ayatollah Khomeini resumed the title of supreme commander and handed over effective control of the military to Gen. Fallahi.

The anti-leftist crackdown followed Mr. Bani-Sadr's dismissal from the military post and the presidency. His whereabouts are not known.

The pressure on the leftists increased after the June 28 bombing of the dominant Islamic Republican Party's Tehran headquarters in which 72 leading politicians were killed.

Meanwhile, the Islamic Republican Party newspaper said Thursday that the party would publicly support Premier Mohammed Ali Rajai as its candidate for president in the July 24 election to replace Mr. Bani-Sadr.

The Interior Ministry said that 70 other candidates signed up to run in the election, the newspaper reported. But each aspirant must be approved by the 12-member Council of Guardians, which is empowered to veto any contender who fails to meet the constitutional qualifications.



Rubble in Liverpool's Toxteth district following renewed rioting there.

## Parliament Erupts Over Riots

(Continued from Page 1)  
five member of Parliament that "there are many poor societies which are scrupulously honorable in everything they do and would not sink to some of the things we have seen on Merseyside [in Liverpool] in recent days."

Rebutting Labor assertions that unemployment lay behind the riots, the prime minister declared: "A good deal [of violence] has been undertaken by children of school age — some 9 to 16. That is nothing whatever to do with the dole queue."

Bob Brown, a Labor member from northeast England, one of the areas hardest hit by unemployment and other consequences of Mrs. Thatcher's economic policies, led the assault in the Commons. It was he who accused the prime minister of "ripping away the fabric of our society," and he also told her: "You are being portrayed as the biggest vandal in the country, and the government are regularly muggings the taxpayer."

Other bursts of invective were directed against Enoch Powell, the former Conservative who now represents an Ulster constituency. In 1963, Mr. Powell made a famous speech predicting that "rivers of blood" would flow in Britain as a result of racial conflict. On Thursday he said the presence of 2 million nonwhites in Britain was responsible for the wave of violence. He said that "nobody doubts that, except when talking in public."

His comment led a Labor member, Andrew Faulds, to ask the speaker: "I have always understood that a certificate condition was debarment from membership of the Commons. Is there not now a case for the whole house to examine carefully the lunatic utterances of Mr. Powell both inside and outside this house?"

## One Picture Is Worth a Thousand ...

INDIANAPOLIS — Pictures can be worth more than the film they are made on, despite printed warnings by makers and processors of photographic film obligating themselves only to replace lost or damaged film, the Indiana Court of Appeals has ruled.

The state court Wednesday upheld a municipal court award of \$10,130 plus interest and costs to John R. Carr Jr., an Indianapolis lawyer, for the loss of four rolls of film containing pictures from a 1970 family vacation in Europe. Eastman Kodak and Hoosier Photo Supplies filed cross-appeals contending that Mr. Carr should recover only \$13.60 — the price of four film rolls before exposure.

The opinion written by Judge V. Sue Shields said "both Hoosier Photo and Kodak must be aware that when film is given to them to be developed it has photographic images on it and that in almost every case these images will be more valuable than the exposed film."

The state court said the wording in the disclaimer printed on each roll of film was such that it did not apply to Hoosier Photo and was too ambiguous to protect Kodak.

Mr. Carr brought in nine rolls of exposed film to Hoosier Photo and got prints back for five. He sued Kodak and Hoosier Photo for \$10,000 for the four lost rolls. The appeals judges said the lower court used proper discretion in awarding Mr. Carr less than the cost of his trip, since the trip was not made just to take pictures.

## Habib in Beirut To Renew Talks

BEIRUT — Philip C. Habib, the U.S. special envoy to the Middle East, returned to Beirut on Thursday to begin his third attempt to resolve the 10-week-old Syrian-Israeli missile crisis.

Mr. Habib had several rounds of talks with Arab and Israeli leaders in two previous visits, but failed to persuade Syria to withdraw its SAM-6 missile batteries from central Lebanon's Bekaa Valley.

Syria deployed the anti-aircraft missiles after Israeli planes shot down two Syrian helicopters in the area. The Syrians insist the missiles are necessary to protect their 30,000-strong deterrent force in Lebanon.

## Begin Restricts Jordan Border

By David K. Shipley  
New York Times Service

JERUSALEM — Prime Minister Menachem Begin issued an order Thursday closing Israel's border with Jordan to two-way tourist traffic, representing a marked deterioration in the level of tacit cooperation between the two formal enemies.

The new restrictions, in retaliation for some Jordanian procedures, will mean a curtailment of the relatively free movement that has been permitted back and forth across the Jordan River since Israel captured the West Bank in the 1967 war.

About 60,000 tourists will be affected yearly, many of them Christians from the United States and Europe who come by the relatively inexpensive land route to visit holy sites in Jerusalem, Bethlehem and the Galilee region.

The groups often book tours through Arab-run agencies in East Jerusalem, and Israeli authorities are known to resent the availability of a pro-Arab political slant they believe is conveyed to the tourists.

## Coalition's Partners Presenting Demands

Washington Post Service

JERUSALEM — Certain that they will form a new Israeli coalition with Prime Minister Begin's Likud bloc, three religious parties Thursday continued thrashing out their demands for joining.

Results of the June 30 national election are now official, giving the Likud a narrow edge over the opposition Labor Party of 48 seats to 47. President Yitzhak Navon will begin consultations next week with the parties elected to the Knesset before formally asking Mr. Begin to try to form a government.

The National Religious Party, the ultra-Orthodox Agudat Israel Party and the Tami Party, which is a splinter off the religious party, have all agreed informally to Mr. Begin's invitation to form a coalition with 61 seats in the 120-member Knesset. But the three parties Thursday continued to ask for concessions.

The demands include Cabinet jobs, special religious legislation and funding for religious programs in which the parties have an interest.

Sources in the National Religious Party said Thursday that the executive committee had decided not to join the Likud coalition unless they can supply the religious affairs minister, which the party has traditionally held in its previous alliances across the political spectrum.

Religious Affairs Minister Aharon Abuhatzzeira had demanded that his Tami party be given the ministry along with one other Cabinet seat, but he indicated Wednesday that he would be willing to take another Cabinet job instead. Likud sources said Mr. Begin was inclined to offer Mr. Abuhatzzeira the Welfare Ministry.

Agudat Israel's demands include an amendment to the Law of Return requiring conversions to Judaism under Orthodox religious law, restrictions on Sabbath work permits, a ban on the sale of pork and more financial subsidies for Agudat religious schools. The Agudat is not asking Cabinet positions, and Mr. Begin indicated Wednesday night in a television interview that he agrees with Agudat's position on the "who is a Jew" conversion issue.

## Italian Senate Votes Approval For Spadolini

ROME — Premier Giovanni Spadolini won formal approval for his five-party Italian government Thursday by a wide margin in a Senate vote of confidence on the government's policies.

After a two-day debate, the upper house voted 182-124 in favor of the government. Mr. Spadolini faces another formal test of confidence in the lower house on Saturday, but political sources said the coalition's comfortable majority in that chamber should ensure a similar result.

In the Senate debate, Mr. Spadolini called for a more flexible stance by the Communist Party, whose parliamentary tactics played a major role in undermining the government of former Premier Arnaldo Forlani, a Christian Democrat. "The government has opened a more constructive dialogue with the opposition," said Mr. Spadolini.

## Israel Able to Construct A-Bomb, UN Panel Says

New York Times Service

UNITED NATIONS, N.Y. — An international panel selected by UN Secretary-General Kurt Waldheim has concluded that Israel can make nuclear weapons "within a very short time." But it says that a policy of "deliberate ambiguity" makes it impossible to determine whether Israel actually possesses bombs.

The panel, named in response to a General Assembly resolution adopted in 1979, calculates that "Israel may already have enough weapons-grade material for making several bombs comparable to the bomb dropped on Nagasaki" in 1945. The panel estimates that Israel's Dimona reactor, which is not subject to international inspection, could have produced enough

weapons-grade plutonium for 10 to 15 nuclear weapons.

The document's principal finding is not new. In June, former Israeli Defense Minister Moshe Dayan said that Israel could make a nuclear bomb "in a short time" but did not yet have one.

The panel urges Israel to renounce the making of bombs and to let the International Atomic Energy Agency inspect its nuclear plants.

These statements are in a draft report written May 12, before Israel bombed an Iraqi nuclear reactor. The experts are now amending their document to take account of the attack. The final report is to be released next month.

The panel consists of four political scientists — one each from the United States, the Soviet Union, India and Kenya — and a nuclear physicist from Lebanon.

## A-Agency Fires Aide for Passing Secrets to U.S.

United Press International

VIENNA — The International Atomic Energy Agency has fired a nuclear safeguards inspector after the inspector, an American, passed confidential information to the U.S. Embassy in Vienna and questioned the effectiveness of the agency's safeguards system before Congress, the agency's head said.

Stigvard Eklund, the agency's director-general, said at a meeting of the board of governors at its headquarters here Tuesday that he had decided on July 2 after an investigation to dismiss Roger Richter for "serious misconduct." The governors approved Mr. Eklund's action.

Mr. Eklund said Mr. Richter joined the agency in 1978. Since March 16, 1979, he had been attached to its South and Southeast section, whose coverage includes Israel and Iraq.

Mr. Eklund said Mr. Richter did his last duty shift at the agency on June 15, eight days after the Israeli raid on an Iraqi nuclear reactor, and the agency received a telex from him in Washington on June 18 saying he had resigned, effective June 16.

The same day, Mr. Eklund said, Sen. Alan Cranston, a California Democrat, stated before the Senate Foreign Relations Committee that he had "received four revealing internal documents from American sources within the International Atomic Energy Agency." On June 19, Mr. Richter testified before the committee and questioned the effectiveness of the agency's safeguards system, Mr. Eklund said.

## Mozambican MiG Taken by Pilot To South Africa

HOEDSPRUIT, South Africa — A black Mozambique military pilot has defected to South Africa with his Soviet-built MiG-17 aircraft.

South African intelligence officers Thursday began a full interrogation of Lt. Andriano Francisco Bombo, who touched down Wednesday at the northeastern base of Hoedspruit and asked for political asylum.

Officers at the base, home for two squadrons of advanced Mirage interceptors and fighter-bombers, publicly described the MiG-17 as obsolete. They said arrangements to hand it back would be made soon. Privately they made it clear they hoped to obtain a great deal of intelligence about Mozambique's air strength from the refugee pilot.

Brig. Dries van der Lith, the air force intelligence chief, said Lt. Bombo, 23, took off from Maputo on Wednesday morning and flew a zigzag course at treetop level before climbing to 7,000 meters (22,000 feet) after crossing the border.

He was intercepted by two Mirage F-1s and followed. Instructions to put down at Hoedspruit. He immediately asked for political asylum. Speaking briefly to reporters, who were not allowed to ask questions, he said he had sought refuge because "life in Mozambique is getting worse and worse."

## Former SS Officer Given 7-Year Term

KIEL, West Germany — A West German court has sentenced a former Nazi SS officer to seven years in prison for his part in the deportation of several thousand Jews to Auschwitz and other Nazi camps.

The court ruled Wednesday that former 1st Lt. Kurt Aichele, 71, was the head of the Jewish section in occupied Brussels in 1942 and 1943 and was responsible for the deportation of about 10,000 people.

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# Carter Criticizes Broad Range of Reagan Policies

By Marlene Cimons  
Los Angeles Times Service

WASHINGTON — Former President Jimmy Carter has made his first full-scale attack on the Reagan administration, calling its cuts in federal spending an "abrupt departure" from a national commitment to Americans "not strong enough" to help themselves.

In a July 3 letter to members of his Cabinet and his senior White House staff that was made public Wednesday, Mr. Carter criticized President Reagan for his stands on the environment, human rights and arms control, in addition to the budget cuts.

"Some of the proposals now considered by the Congress are an abrupt departure from the commitment of our nation to a better and productive life for Americans not strong enough or able enough to win these opportunities for themselves," Mr. Carter wrote.

"Also, an enormous transfer of government benefits is now taking place from the very poor to the very rich, and middle-income Americans will ultimately have to pay a substantial portion of the cost."

Mr. Carter described many of his successor's spending cuts as "ill-advised."

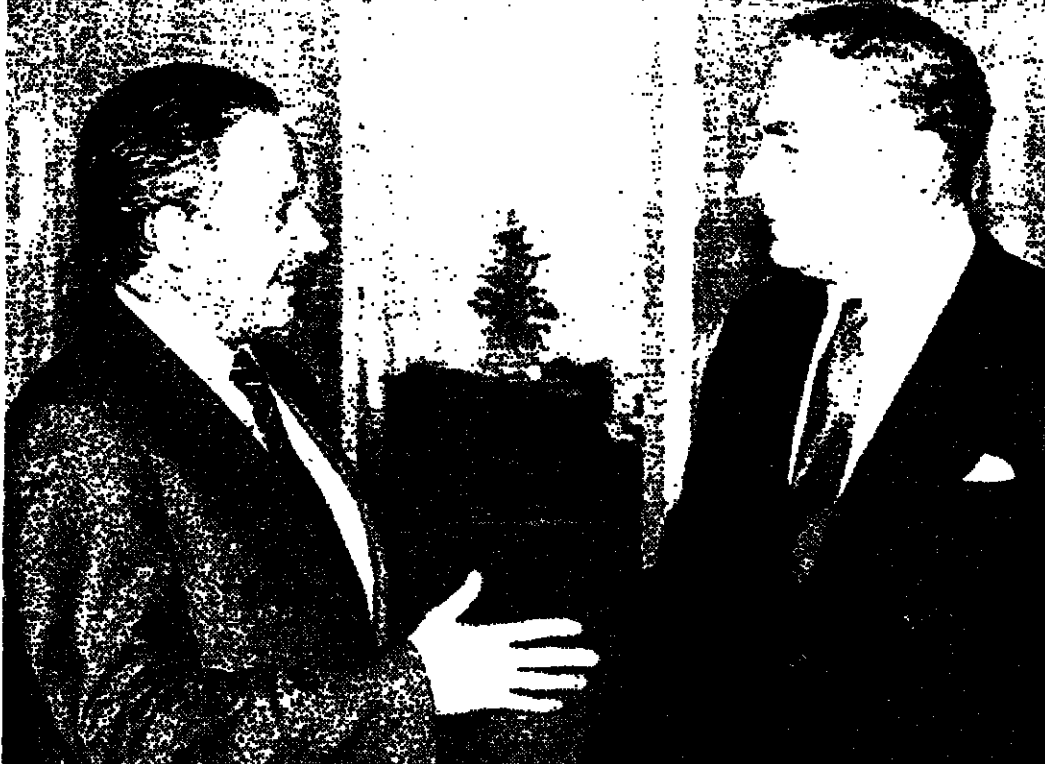
"Students, farmers, the aged,

mentally afflicted, and marginally employed Americans will soon begin to suffer personally and in large numbers," he wrote. "Scientists, educators and those interested in the environment and the arts will come to realize in a few months how much of the vitality of American research and ingenuity and beauty is being quietly vitiated."

Mr. Carter predicted that state and local governments would increase taxes in an attempt to compensate for lost federal revenues.

"Services to the poor, the sick, the unemployed and to those able Americans who want good schools and highways and reasonable government services cannot be slashed so drastically as is presently contemplated," he said. "Someone will have to pay the bill for that portion of the programs which will survive because of public demand."

Mr. Carter called the environmental policies of the Interior Department "a serious threat to the future of our nation, condemned almost unanimously... by those who are dedicated to the proper stewardship of our nation's natural resources."



THORN IN WASHINGTON — Secretary of State Alexander M. Haig Jr., right, greeted Gaston Thorn, president of the European Commission, at the State Department on Thursday.

## Report by Army Hints at Need for Draft To Add Personnel for Reagan Strategy

By George C. Wilson  
Washington Post Service

WASHINGTON — The Army has told Defense Secretary Caspar W. Weinberger that almost 100,000 more soldiers will be needed to carry out President Reagan's military strategy and it will be difficult to recruit them under the volunteer concept.

The report, which is being reviewed by the Joint Chiefs of Staff, the secretary of the military services, Martin Anderson, a presidential assistant, and Murray L. Weidenbaum, chairman of the Council of Economic Advisors.

Pointing to Mr. Reagan's plan to expand the Rapid Deployment Force designed for quick movement to military emergencies in such areas as the Gulf, the Army memorandum said the Army should grow to 870,000 men and women by fiscal 1987. That would be about 96,000 more than current forces and 83,700 more than the number expected to be in uniform by the end of fiscal 1982.

Mr. Weinberger said through a spokesman Wednesday that the draft is not being considered. In other statements, Mr. Weinberger has left himself the loophole of resorting to it if the volunteer system fails to attract enough soldiers.

The volunteer force replaced the draft in 1973. The military services are currently recruiting enough volunteers to fill their ranks, although leaders have warned that the pool of available young men and women will shrink if the economy improves and more jobs are available.

The volunteer force has been criticized in Congress, with some legislators contending that it costs too much and puts too much of the defense burden on minorities and the poor. Although Mr. Reagan opposed draft registration and the draft during his campaign, he has not moved to repeal the registration enacted under former President Jimmy Carter. Mr. Reagan has sought higher pay and other benefits for the military.

On the other hand, a Rand Corp. assessment in 1977 said the volunteer concept had worked well, and said there were just as many youths from middle-income and high-income families enlisting

as were taken in during the draft. The study also blamed Congress and not the volunteer concept for military costs, saying that higher pay and benefits preceded the end of the draft.

An official of the Reagan administration has said the other military services will need more people to carry out military strategy. He estimated a 10-percent increase would be required by 1985, meaning 200,000 additional officers and troops for the Army, Navy, Air Force and Marine Corps unless civilians or reservists fill some of the active-duty billets. The United States now has 2,031,395 men and women on active duty.

Japan's Forces Called Unable to Protect Nation

Los Angeles Times Service

TOKYO — Japan's 239,000 member armed forces "have a very limited capability today in all areas to defend Japan against even the most limited kind of conventional attack," the outgoing commander of U.S. forces in Japan said Wednesday.

Lt. Gen. William Ginn, who also heads the U.S. 5th Air Force, complained that Japan fails to recognize or appreciate the costs to the United States of providing a nuclear shield to Japan. He said that Japan allocates to its total defense budget only a third of the funds that President Reagan has added to the 1981-82 U.S. defense budget, and he urged the Japanese people to "open their eyes" to what he called the growing Soviet threat to Japan's freedom.

Gen. Ginn's statement, made at the Foreign Correspondents Club, followed a request by Secretary of Defense Caspar W. Weinberger that Japan scrap a defense outline it approved in 1976 and roughly double its planned procurement of weapons between 1983 and 1987.

Mr. Weinberger made the request to Joji Omura, the Japanese Defense Agency director, in Washington last month.

# High U.S. Official Urges Clarity About Relations With Russians

By Charles Mohr  
New York Times Service

WASHINGTON — A senior State Department official has said that he believes the United States "must be more articulate" in explaining its policy toward the Soviet Union to offset what he called "a rise in pacifism, neutralism and anti-nuclear attitudes" in West European countries.

The official, who spoke to a group of reporters Wednesday on the condition that his name and title not be made public, said that many officials in Western Europe approved of the Reagan administration's strong stand toward Moscow but were "also concerned about whether the tough line has, or is in the process of, closing off lines of communications with the Soviet Union."

The official, who is a high-ranking policy-maker, said he believed it was "important that the United States recognize" that among European members of the NATO alliance "there is this concern with whether the U.S. relationship with the Soviet Union."

In reply to a question, the official said he did not believe that President Reagan personally needed to restate or define U.S. policy.

"If the alliance now can't proceed with that decision, we will have shown the Soviets they have a veto over our deployment plans," the official said. He added that it would be a virtual impossibility to negotiate successfully a Soviet limitation of medium-range missiles if allied deployment of new weapons was delayed or abandoned.

**Firm Tones**

The official declined to predict when the administration might open new negotiations on a treaty to limit strategic, or intercontinental range, nuclear weapons.

But he reiterated, in firm tones, that the United States would honor a commitment made by Secretary of State Alexander M. Haig

Jr. in Rome to begin negotiations on tactical nuclear forces no later than Dec. 31 of this year.

The senior official's remarks about a rise in pacifism and neutralism were reminiscent of a public speech by Richard V. Allen, the White House national security adviser, earlier this year in which Mr. Allen expressed similar concern.

The State Department official said Wednesday he did not believe the problem in Europe was "unmanageable" but said it called for a "more articulate" expression of American policy to assuage feelings that the U.S. is heading toward a confrontation with the Soviet Union and that we are not interested in negotiations or discussions or dialogue.

## Veteran's Death In U.S. Linked to Drugs, Alcohol

Los Angeles Times Service

LOS ANGELES — James R. Hopkins, a Vietnam veteran and activist, died from a combination of drugs and alcohol, according to the Los Angeles county coroner, Thomas T. Noguchi.

Mr. Hopkins, who died May 17, was considered by many to have been the catalyst for the recent sit-in and hunger strike by Vietnam veterans at the Wadsworth Veterans Administration Hospital in Los Angeles. The veterans, who took their protest to Washington, asserting that the VA was not responding to their medical needs.

Dr. Noguchi said that an autopsy showed "strong indications" that Mr. Hopkins committed suicide but that he could not be sure until a coroner's inquest investigated the death. An inquest has been scheduled for Aug. 25.

Mr. Hopkins, 32, attracted national publicity to the veterans issue last March when he crashed his Jeep through the VA hospital's glass doors.

Human Rights

The former president accused the Reagan administration of skirting the question of human rights. "There is no way for our government to ignore or to smother this burning issue, or to walk an ephemeral tightrope between proper torture by 'friendly' dictators and unacceptable torture by others less favored," he asserted.

Mr. Carter also criticized the administration for what he called its unwillingness to negotiate a nuclear-arms treaty with the Kremlin.

"We will surely weaken the Atlantic alliance and severely damage our own reputation as a peace-loving people if we let the Soviet leaders retain the unwarranted but important propaganda advantage they have derived from our unwillingness to seek nuclear-arms control through negotiation," he wrote.

"I am gratified that our government has announced that we will continue to honor the basic terms of [SALT-2] so long as the Soviet leaders do the same," Mr. Carter added. "However, we have not attempted to follow up this progress with more definitive reductions in the world's nuclear arsenals and recent Senate testimony indicates that there are no present plans to do so."

## Spain Seeks New Ties, Weapons in U.S.

By Michael Gedler  
Washington Post Service

WASHINGTON — Spain's foreign minister says that his country wants a new military relationship with the United States and the Western alliance, along with U.S. arms, that would give the Spanish military an international role and responsibility and help keep it out of domestic politics.

José Pedro Pérez Llorca said that his country desires and is ready for a larger role and voice in Western defense, including eventual membership in NATO. At the same time, his government hopes to persuade the United States of the advantages of equipping the Spanish military, both to make it a viable military partner and to help consolidate civilian democracy at home.

"We've got to help those armed forces to find a role which they haven't had since the 19th century," Mr. Pérez Llorca said in an interview Wednesday. "We are not looking for wars," he said, "but we have to change the pattern of an army that had a colonial and an

internal role" through much of Spanish history "and never really had an [external] defense role."

Mr. Pérez Llorca was in Washington for a meeting with Secretary of State Alexander M. Haig Jr. and with the U.S.-Spanish Council, where broad aspects of bilateral relations are discussed, including the renewal of U.S. military base rights in Spain. The Spanish official also met briefly on Tuesday with Defense Secretary Caspar W. Weinberger.

**Relationship Different**

The United States currently has access to three major bases in Spain — two air bases and the missile-firing submarine port at Rota. A five-year agreement on those bases expires on Sept. 21.

Officials on both sides are optimistic that a new agreement will be reached, though possibly not by the expiration date. Mr. Pérez Llorca made it clear, however, that "we feel the defense relationship with the United States is different now."

In the past, he said, the United States tended to view Spain from a military standpoint as mostly a "piece of territory... like a big aircraft carrier" where rear-area facilities could be situated. But those attitudes must be forgotten, he said. Spain's forces should have an assigned task in Western defense and "now we want an active role with our own voice, a solid one, so the relationship should be more intense."

U.S. officials said it was clear that Spain wanted some new provisions in the base agreement and friendship treaty to reflect the democratic government, so that an extension of the agreements reached under the authoritarian Franco regime.

Mr. Pérez Llorca acknowledged that Spain had a "shopping list" of military equipment it wanted from the Pentagon. He said Madrid expected credits to buy weapons and also hoped to receive surplus equipment not being used by the U.S. armed forces. Spain's own military budget, he said, was increasing in real terms by about 25 percent annually, in what he called a "tremendous effort."



Jose Pedro Perez Llorca

## Jumbo Jet Drops 13,000 Feet As Engines Temporarily Quit

United Press International

WASHINGTON — A United Airlines Boeing 747 with 320 persons aboard lost power in all four engines last Sunday while on a flight from San Francisco to Honolulu and dropped 13,000 feet over the Pacific Ocean before power was restored, government spokesmen announced.

The incident, which caused no injuries, was under investigation by the Federal Aviation Administration and National Transportation Safety Board, spokesmen for both agencies said.

"The crew tried to use air start procedures to start the engines while in the air," said Fred Farrar, an FAA spokesman. "That didn't work and they tried ground starting procedures. They did work. The engines were restarted at about 26,000 feet." He said the plane made a routine landing at Honolulu.

**No Panic in Cabin**

Mr. Farrar said that there was no panic in the cabin and that many passengers may not have been aware of what was happening because of the 747's "glide ratio." He added: "The plane doesn't go into a dive or anything."

Mr. Farrar said that the engines were found to be working normally and that the airplane was back in service.

Joseph Hopkins, an airline spokesman, said in Chicago that after power was restored to all four engines and the plane was back at its cruise altitude of 39,000 feet, the pilot announced to the passengers that there had been an engine failure.

A spokesman for the National Transportation Safety Board, Brad Dunbar, said that for one engine to lose power was not unusual but that a simultaneous loss of three or four engines was highly unusual.

**Probes Under Way**

He said that the safety board had sent a senior investigator to San Francisco to interview the crew, review the maintenance records and see what else he could find out about the incident.

Mr. Farrar said that FAA officials were barred from a safety board interview with crew members earlier this week. He said this was done on the request of the crew members who have that right under an agreement between the two agencies.

"We will nevertheless continue the investigation in an attempt to find out what caused the engines to quit," Mr. Farrar said. "If we have to get the crew in to testify under oath, we'll do that."

The flight, United Airlines 35, originated in Newark, N.J., and had made a stop at San Francisco.

Richmond, Va. — An Air Force Titan-2 missile officer accused of making unauthorized visits to the Soviet Embassy was not read his rights for four days after investigators started questioning him, the Richmond Times-Dispatch has reported.

The paper said Wednesday that 2d Lt. Christopher M. Cooke, also charged with making defense information available to unauthorized persons, was not read his rights until May 9. He was questioned from May 5 until May 22.

On May 9 Lt. Cooke was promised immunity from prosecution in exchange for his cooperation, according to his lawyers, including F. Lee Bailey, who accused the government of stalling in the case after hearings were recessed last week until an undetermined date.

## Lapse Reported In Titan-2 Case

**U.S. Firm Is to Build Panama Oil Pipeline**

United Press International

PANAMA CITY — A U.S. firm has signed a contract to build a 78-mile (125-kilometer) pipeline across Panama to ship Alaskan oil to the U.S. East Coast.

Officials of the Northville Terminal Co. said construction should begin in a few days on the \$250-million pipeline and storage system, with completion scheduled in 18 months. The contract was signed Wednesday by Harold Bernstein, president of Northville, and Edgar Ameglio, general manager of the government-owned National Finance Corp. of Panama.

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## Nationalizing in France

Without surprises but with obvious delight, France's first Socialist prime minister in 23 years delivered his program to the National Assembly Wednesday. His presentation was frequently mocked by the opposition, but time after time the Socialist majority drowned out the conservative hecklers. The new order has arrived in France. Wednesday's performance eliminated any possibility of doubt that might have remained.

Pierre Mauroy elaborated the entire Socialist legislative program with special attention to the economic keystone of President Francois Mitterrand's plan — nationalization. As expected, 11 industrial companies and a number of private banks have been slated for government takeover.

The details of the acquisitions remain to be disclosed, but the broad outlines are now in place. The banks will go first. Then two profitable defense industries and two staggering steel companies will follow. After that, four large concerns that are substantially French-owned and, ultimately, three whose shares are in large part foreign-held. In each case, Mr. Mauroy said, the government will expect the companies "to act on their own initiative at the national level as well as on the international level." In form, at least, the Socialist program takes account of the sensitivities of the French and the international financial communities.

For money men almost everywhere, nationalization is synonymous with inflation and economic disorder. The major French banks, Air France and Renault are always

cited as examples that it need not be so. And they are good examples. But mentioning them begs the real question. It doesn't matter who owns an enterprise, but how it is run and to what end. If Mr. Mitterrand's Cabinet appointments are a guideline, there is every reason to expect that the nationalized concerns will be run professionally. But the president and his prime minister have already spelled out a series of goals that are not necessarily consistent with one another, with reducing the French inflation rate, or even, perhaps, with creating jobs, which is one of the stated objectives.

Along with generating employment, the Socialists are taking over the arms industry for ideological reasons. They are interested in stimulating research and development, in improving the quality of working life, and in the banking sector, in redirecting credit to small and medium-size businesses. Each of those goals is likely to increase government spending, thereby feeding inflation. That, in turn, could dampen productivity, causing stagnation throughout the economy and eventually leading to protectionism.

The conservative French daily Le Figaro said in an editorial Thursday: "The art of governing consists first in distinguishing that which is possible from that which is not, that which re-establishes social justice from that which ruins a country." Mr. Mitterrand is about to learn what every victorious politician must — that governing makes getting elected look easy.

INTERNATIONAL HERALD TRIBUNE.

## A Cruel Joke on Taiwan

A mischievous game is being played by those in Washington and Taipei who speak of "upgrading relations." Ostensibly they mean only to ensure that the United States abides by the pledge it made after it normalized relations with China — to provide, in the language of the Taiwan Relations Act, "adequate safeguards for Taiwan's security and well-being." If this were all, no one could complain. On the contrary, given the feelings about Taiwan in America, people would probably applaud.

But it isn't all. "Upgrading relations" has become a code phrase for something different. In Taiwan, where officials have just said they have received signals that the administration will upgrade relations, the phrase betrays an intent to make trouble between Washington and Peking. The officials are well aware that Washington, in normalizing relations with Peking, made relations with Taipei unofficial. "Upgrading" even symbolically — by raising the number of Chinese "liaison offices" or making contacts between representatives more formal — is seen as a way to erode normalization. Selling Taiwan super-hot new warplanes for which no feasible military case has been made could be similarly exacerbating.

In Washington, meanwhile, "upgrading" is at once a bow to Mr. Reagan's core belief and constituency and a thumb in Peking's eye, the better to give Peking to know that U.S. cooperation is strictly business.

In fact, as most of the professionals now accept, "upgrading relations" with Taiwan cuts across the U.S. interest in both Peking and Taipei. To antagonize Peking gratuitously just as strategic cooperation is being deepened is a reckless inconsistency. Nothing could do more to close Peking's opening to Washington and to undercut its current friendly leadership than to act in a manner feeding charges that Deng Xiaoping has "sold out" on Taiwan.

The best way to make good on the U.S. commitment to Taiwan is to hold firm in avuncular patronage and to encourage the island's moderate mainstream, which is coming to see its future in a context of peaceful cooperation with the mainland. Already there is trade worth hundreds of millions of dollars a year. It is a cruel joke, as well as a political error, to substitute a chimerical "upgrading of relations" for the real support that Taiwan's "security and well-being" deserve.

THE WASHINGTON POST.

## A Corporate Elopement

A marriage of Du Pont and Conoco would produce a company that would be at once the largest chemical producer in the United States and the second largest oil producer. It would be the ninth largest oil company, and a leader as well in biological and medical technology. Would that violate the antitrust laws? Ten years ago the answer would have been almost automatically yes. Today it may be otherwise. For those products, it is no longer the national market that is the proper measure, but rather the world. On a world scale the trade in chemicals, oil and the rest is pretty competitive, and not even Super Du Pont could really be called dominant.

Du Pont's management has taken a rather daring — and certainly expensive — step to rescue Conoco from Canadian ownership. The enormous increases in oil prices have left most of the oil producers loaded with cash;

that has made them attractive targets for takeovers, unless they spend their money taking over someone else. In this case a Canadian distilling company, Seagram, sold its oil and gas operation a year ago for more than \$2 billion, and since then has been looking for ways to invest the money. When it began to move toward Conoco, Conoco hastily invited a friendly takeover by Du Pont.

That is fair enough. But, as part of its defensive campaign, Conoco has been trying to stir Congress into a reaction against the Canadian invasion.

When foreigners want to put money into the United States it ought to be encouraged, particularly when the investor comes from a country with a legal tradition and an open market similar to America's. Restricting foreign investment is a form of protectionism.

THE WASHINGTON POST.

## Progress: Quadrantectomy

Many women fear the treatment for breast cancer as much as the disease. The once traditional "radical mastectomy" involves surgical removal of the entire breast, the muscles beneath it and the lymph nodes under the arm. Rather than risk so traumatic and disfiguring a procedure, countless women have avoided early treatment, permitting the irreversible spread of cancer.

In recent years, as women have demanded less extensive breast surgery where possible, and as scientists have learned more about the affliction, surgeons have become a bit more conservative. Today the preferred treatment is a "total" mastectomy, in which the entire breast and lymph nodes are removed but the major chest muscle, at least, is spared.

Now there is new evidence that for women whose cancers are small and detected early, a

partial mastectomy, sparing most of the breast, is just as effective. A study by the Italian National Cancer Institute found no difference in cancer recurrence or survival between women who underwent a radical mastectomy and those who had a "quadrantectomy," in which only a quarter of the cancerous breast is removed, followed by radiation treatments.

Studies are under way in the United States to assess the effectiveness of an even less disfiguring procedure, the "lumpectomy," in which only the tumor and a little surrounding tissue are removed.

The emerging data suggest that the medical profession ought to accelerate its switch to more conservative treatments.

THE NEW YORK TIMES.

## In the International Edition

Seventy-Five Years Ago

July 10, 1906

NEW YORK — This will be chorus girls week in the Thaw-White murder case. It is currently reported that many young women of the stage have left the city to avoid undesirable notoriety in connection with the case. Miss Mazie Follette and Miss Edna McCure, former "chums" of Mrs. Thaw, have given testimony that it is not favorable to the prisoner. Miss Follette declares that she heard Mr. Thaw say he would kill Mr. White if it took years to do it. Miss McCure was in the "Wild Rose" company with Mrs. Thaw, when Miss Nesbit, when the two men began pursuing Miss Nesbit with attentions. Every night there would be two cabs waiting for Miss Nesbit and every night two bunches of flowers arrived.

Fifty Years Ago

July 10, 1931

MOSCOW — A cafe-restaurant situated 50 yards from the structure in which proletarian audiences are treated nightly to selections from Meyerhold's revolutionary stage repertoire provides the nearest thing to an after-theater atmosphere to be found in Moscow. For a long time the Moscow government, with its flair for puritanism, frowned on anything so corrupting as late closing. But 2 a.m. closings have now become general, and some establishments remain open until 4 a.m. To make sure that these hours do not lead to heavy drinking, the government is applying efficacious economic checks. Until 6 p.m. beer can be had for one ruble a glass, but at 6 p.m. the price increases to two rubles.

## Whatever Democrats Say, Reagan Is Really There

By Meg Greenfield

WASHINGTON — Politically, the unthinkable is happening everywhere: Italy, Israel, Poland, China, France. Forget for the moment that we are talking about greatly different political systems. The common thread is there.

Whether the evidence is a failure of the Christian Democrats (for the first time in 41 postwar cabinets) to head up the Italian government, or the inability of Israel's Labor Party to stage a convincing comeback from what had been regarded as a fluke defeat last time, or the amazing strength shown by Polish Solidarity, or the French Socialists' upset sweep, or the dispossession of both Mao's legacy and his bureaucratic heirs — these must be accounted terrible days for governing establishments and orthodoxies.

They are terrible days, that is, for complacent leaders who had thought they represented, in perpetuity, a political mainstream from which all divergence must be minor and marginal.

### Limitations

We do not need to waste time wondering if it can happen in Washington. It already did. In fact, I only take note of the larger trend because I think it is the context in which the blown-away Democrats need to consider their own condition. People think the '60s were radical. I think something far more radical is afoot now, a political impulse whose meaning and consequence are missed precisely to the extent that we insist on thinking of radical as meaning "left" and being the opposite of conservative or "right."

Defiance of assumptions and expectations and of the agreed-upon (it was thought) political boundaries within a society is now the norm. No one is more baffled by this than the displaced leaders who had dimly believed themselves to be entitled to their authority, and supposed that their countrymen generally accepted the limitations on their own freedom of action that this implied. Well — surprise! — everything turns out to be negotiable and vulnerable. There are some Democrats who are unsurprised by what has happened because they refuse to admit it. This, I calculate, will prolong their exile from office at roughly the rate of one day lost for each day of self-delusion.

The basic all-important fact about the Reagan budget-cutting triumph (as a political achievement, not necessarily as an act of wisdom or beauty) is that there was no opposition to it. Yes, there was resistance, some of it very sensible and im-

sioned. But when Reagan pushed what was supposed to be the opposition, it collapsed. It simply isn't there. It has been retired or enfeebled or frightened by what it perceives to be the prevailing political opinion in the country. And yet you can still hear the scholastic arguments being put forth, breathtaking in their irre-

succeed now so that it can fail later. To some extent this rests on a cold-blooded calculation that the Reagan figures don't add up right and that the president needs to be seen getting his way and then going economically bust for people ever to reject his political message. There is also the hope that once people really see what the

wouldn't dare approach to political challenge, strikes me as being probably precisely the upending that people had in mind when they made Reagan president and gave him a sympathetic Congress.

Americans will tolerate a lot. They will tolerate what they consider too much. When it gets to be way too much, they will throw you out. This is what happened to the now-displaced political establishment, and it does not bode well for its speedy recovery, since the Reagan people would have to fail painfully and spectacularly and indisputably for the voters to run out of patience anytime soon.

I think what strikes those displaced persons as outrageous and beyond the political pale also doesn't seem so unacceptable to people generally. My point is that the first step required in the creation of an opposition is a willingness to oppose what is there — and that means (a) taking seriously both the results of the election and the policies being put forward by the winners, and (b) meeting their arguments head-on.

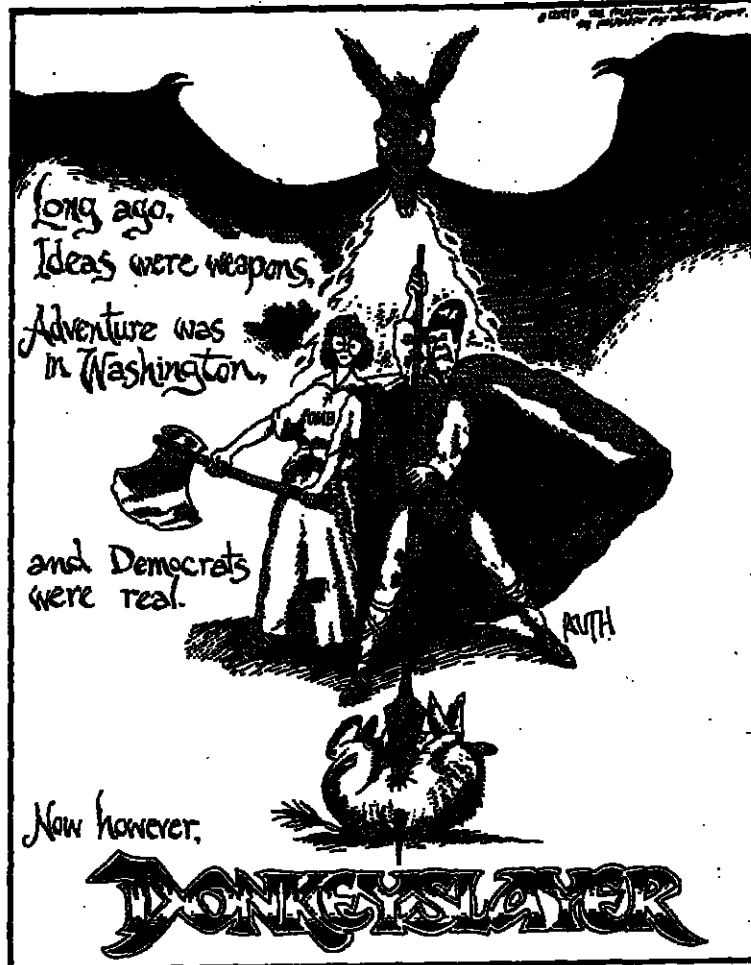
### Variance

On the latter score, it is self-evidently not enough to try to hold up to ridicule a collection of government positions on the ground that they are at such great variance from one's own or from what one had expected everyone to believe. That time is gone. The greater the variance, in some cases, the greater the political appeal. Nor is it very clear what the Democrats would offer if it did come about that the Reagan government vanished as quickly as Jimmy Carter's did. More of what went before? More of what helped to get them kicked out in the first place?

Chairman Jim Jones of the House Budget Committee, a sensible, moderate man if ever there was one, came up with a sensible, moderate budget alternative to Reagan's. There were not nearly enough other evidences, says to me that the Democratic opposition will not be able to reconstruct itself by a kind of half-liberal alternative to Reagan or a threat to return to the governing traditions of the past two decades.

They are said to be "rethinking" things. I believe they should rethink big, meet Reagan's radical, anything-goes, hell-let-it-go approach with a comparable intransigence — especially toward their own assumptions and dogma. It's the only way to come back. Otherwise, they might go the way of Mao Tse-tung.

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advance, that the Republicans and conservatives did not get a mandate for what they are doing now, that the whole business is somehow a gigantic mistake.

That — regarding their rout as the product of a terrible misunderstanding — is one response. Another has been to hope that the new Reagan dispensation will

new administration is up to they will "come to their senses."

I think the second of these expectations is especially wishful. The upending of several decades worth of vaguely liberal, middle-road orthodoxy, with all its attendant excesses in the name of policies no one troubled to examine anymore and its you-

## Thatcherism: A Specter Haunts Reagan's Washington

By Leonard Silk

NEW YORK — A specter is haunting the Reagan administration: Thatcherism. The riots in Liverpool this week, stemming partly from the worst unemployment Britain has experienced since the Depression of the 1930s, are grim evidence of the failure of what was once regarded as a brilliant innovation in economic policy.

When Mrs. Thatcher became prime minister in May, 1979, she was the darling of con-

servation to the twin problems of inflation and industrial stagnation.

But was her fault one of execution or were there inherent inconsistencies and contradictions in the Thatcher program that the Reagan administration is on the way to repeating?

The Thatcher plan certainly began with close parallels to the Reagan program:

- A commitment to "monetarism," the doctrine that holds that the way to stop inflation is to reduce the growth of the money supply to a rate equal to the potential growth of the economy. Mrs. Thatcher elected to do this gradually: The Bank of England would cut the growth of the chosen monetary aggregate called "sterling M-3" — currency in circulation plus sterling-denominated demand and time deposits in commercial banks — to an annual rate of 9 percent in 1980-81 and to 6 percent in 1983-84.

- The real value of government spending — total outlays corrected for inflation — was to be cut. The money the government needed to borrow from the public to cover its debts and those of local authorities and public corporations would be scaled down to £7 billion in 1980-81 for openers.
- Marginal income tax rates would be cut sharply to spur savings and productivity growth, with the biggest cuts both absolute and proportionately going to those in the higher income brackets.

How faithfully did Mrs. Thatcher carry

out her plan? On monetary policy she has striven to tighten up the money supply. It is true that sterling M-3 overshoot its target, but this resulted largely from removing the so-called corset from the commercial banks, the special deposit regulations that had limited the extent to which the banks could increase their interest-bearing deposits. But the money supply narrowly defined, M-1, was held to 3-percent growth in the 12 months after Mrs. Thatcher took office and 8 percent thereafter.

The clearest indication of tight money was the sharp rise in interest rates. The outflow of funds from London to New York attracted by still higher interest rates, helped tighten money further, despite government plans to make more funds available by bringing down public-sector borrowing.

In this Mrs. Thatcher failed. She quickly put through cuts in marginal income tax rates, bringing down the top rate on compensation income to 60 percent from 83 and the bottom rate to 30 percent from 33. She cut the top rate on investment income to 75 percent from 98. To promote the shift from consumption to savings, she nearly doubled value added tax from 8 percent to 15.

Sharply rising interest rates pushed the economy into a deep slump, and the budget fell deeper into deficit. To curb the growing public borrowing requirement, the government raised excise taxes on tobacco, alcohol, gasoline, diesel fuel and road vehicles.

Government spending kept climbing, despite Mrs. Thatcher's efforts at belt-tightening. She imposed her steepest cuts on public-sector investment items, thereby aggravating the problem of inflation. But instead of realizing her initial plan to bring down public borrowing to £7 billion in 1980-81, the Thatcher government ran its borrowing requirement up to £13.5 billion, or 6 percent of the gross national product, one of the highest levels in the world.

Mrs. Thatcher's fundamental mistake has been to try to cure stagflation by combining tight monetary policy with loose fiscal policy. She has incurred big deficits that forced the government to be a heavy competitor for scarce private savings, forcing up real interest rates.

This has produced an extraordinary slump in production and employment. The jobless rate has doubled to more than 11 percent, from 5.4 percent when Mrs. Thatcher took office.

With the slump, inflation has fallen to low double-digit numbers, but the high interest rates on both government and private bonds reflect the pessimism of the financial markets about the prospects for solving the problem of British inflation.

The recent behavior of interest rates and the securities markets in New York reflects similar apprehension that the Reagan monetary and fiscal policies have more in common with those of the Thatcher government than Washington is willing to acknowledge.

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servatives on both sides of the Atlantic. Today she faces a revolt in her own party and has been disowned by the Reaganites in Washington, who say she departed from and made a mess of what initially was a correct

## How the Famous British Spy Came, Ascertained and Went

By David Hirst

The writer is a staff correspondent of The Guardian, London, who entered Iran on June 25 with a 10-day visa but was served with an expulsion order a week later on July 2. He left Iran on the first available flight on July 6, and subsequently filed this story.

TEHRAN — Iran's revolutionary leadership, never well disposed to the foreign media, seems close to declaring total war on them. It has announced its intention to close down the British news agency Reuters, which, with Agence France-Presse, is the only major Western news agency still operating out of Tehran.

The decision is a mark of the regime's deep insecurity after the terrorist campaign that has taken such a devastating toll in recent weeks. Few revolutions have had such a deep suspicion of the outside world as Ayatollah Ruhollah Khomeini's. Yet while affecting an outward indifference to world opinion, one senses that inwardly it craves the world's respect.

Failing, in their own judgment, to have secured it, the authorities have responded by refusing access to the overwhelming majority of journalists who apply for it. The process by which the regime admits the chosen few, and then permits them to remain, is a mysterious one. Merely to acquire or renew a press card one has to present oneself at five or six different government departments in different parts of the city.

With the recent convulsions, Iran is moving toward a reign of terror in which a paranoid regime is less and less concerned with its reputation in the outside world, as it is moldered by the few correspondents who are admitted, and more and more concerned with the impact they make on the domestic Iranian arena.

I happened to be one of the chosen few. My impression was that when the authorities last month granted me a 10-day entry visa, they had decided that, although during my previous visit I had

written things they did not like, that consideration was outweighed by what I had also written about President Saddam Hussein of Iraq, their opponent in an almost year-long war. The Islamic republic was to hold a conference to condemn the crimes of Saddam Hussein and apparently it was thought that I, and one other European correspondent, should be encouraged to attend it.

For during that previous visit I found the atmosphere approvingly quoted by Islamic Republic newspaper of the ruling Islamic Republican Party, and the state radio. True, my reports, as purveyed to the Iranian public, often bore little resemblance to what I had written.

After the release of the American hostages, the Tehran Times quoted the "famous" British journalist David Hirst as asking the rhetorical question: "What chance can there be for the Mini-Satan (Saddam Hussein) if the Great Satan himself (the United States) has suffered such a crushing defeat?"

All this is a logic that can work both ways, as I discovered early on a Sunday morning when an agitated colleague knocked on the door of my hotel room bearing a copy of the latest Islamic Republic. A front-page headline said: "David Hirst, the famous British spy, arrives in Tehran." The newspaper described my articles as "false and provocative." It added, "Islamic Republic once more brings to the attention of the Islamic Guidance Ministry the presence of this famous spy, especially as, according to reports we have received, his presence here has caused astonishment even in Western circles."

Clearly the real target was less myself than the Guidance Ministry, and I was merely the plaything in some new twist in a running power struggle. The Guidance Ministry quickly produced a defense saying that I had been admitted upon agreement of the War Publicity Headquarters, but that due to "a want of coverage of Iranian affairs" it had already been decided to expel me. That the min-

istry called me a "reporter" and not a spy, amounted, in current Iranian terms, to a defense of my professional credentials.

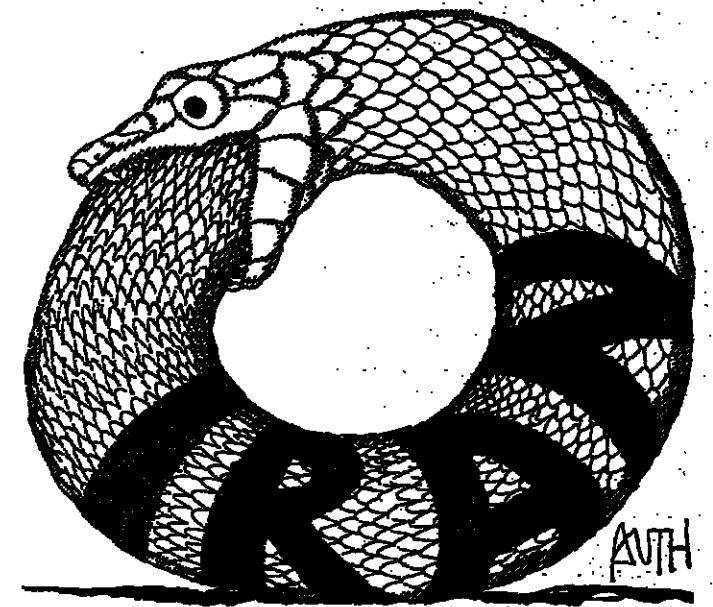
The fact is that the Guidance Ministry had not read my articles. Yet when I asked them what my position now was, they said that, for my own security, I should leave the country as soon as possible and that, until I did so, I had better leave the Intercontinental Hotel in case "ignorant people" decided to bring the "spy" to account. (By "ignorant people" they meant neighborhood vigilantes.)

Nothing of the sort happened, and I discovered in the following two days how few ordinary journalists read Islamic Republic or pay heed to the fantastic accusations that have long been its stock in trade. The name David Hirst appeared to mean nothing in the banks or airline offices. It was only when I went to the police for my exit formalities that the officer in charge smiled a smile of complicity as if to say, "Ah, the great spy, we have been expecting you."

### Dilemma

It is no secret that the police, like much of the bureaucracy inherited from the late shah, detest the parallel revolutionary bureaucracy to which they are obliged to defer.

It is a rule of thumb that, for



insecure Middle East regimes, foreign radio stations head any blacklist, followed by news agencies, and then the leading Western newspapers.

The BBC is now a veritable obsession of the revolutionary leadership, because so many people listen to its Persian-language broadcasts, which reproduce reports of British newspaper correspondents. The BBC's coverage of the funeral of the 72 people killed by a terrorist bomb on June 28 appears to have infuriated the authorities by suggesting that the crowds were rather less than the 5 million they

claimed, and less distraught than they should have been.

There are more signs of spontaneous friendliness in Iran than officially inspired xenophobia. But even those who go out of their way to befriend foreign "spies" in their midst can raise a moral dilemma to which there is probably no answer.

"You are sending our young men to their death," said one, referring to the almost daily executions of dissidents. Insofar as we do contribute to the paranoia of a regime whose reflex is increasingly the firing squad and the mob, he is probably right.

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1981



# Democrats Differ Over Discipline For House Rebels

By David S. Broder  
*Washington Post Service*

WASHINGTON — Democratic Party leaders cheered their candidate's upset victory over a Reagan Republican in a Mississippi congressional election, but they differed sharply on the propriety of attempting to discipline Southern Democrats who have been voting with President Reagan in the House.

The party chairman, Charles T. Manatt, calling the special-election victory of Wayne Dowdy in Mississippi's 4th Congressional District a signal that "it is high time" some of the dissenters were disciplined by the House Democratic Caucus.

But Mr. Manatt ran into a mixed reaction when he met later with House Democratic leaders. The majority leader, James Wright Jr. of Texas, said he and Speaker Thomas P. O'Neill Jr. of Massachusetts were inclined "to be fairly tolerant" toward the Southern Democrats whose votes have given Mr. Reagan his victories on the early budget tests. The majority whip, Thomas S. Foley of Washington, said flatly, "We are not considering discipline at this time."

The chairman of the House Democratic Caucus, Gillis W. Long of Louisiana, said, however, that he would call a meeting of all House Democrats to consider a disciplinary motion proposed by Rep. Toby Moffett of Connecticut and other liberals.

**Single Out for Criticism**

Mr. Manatt singled out for criticism Rep. Phil Gramm, a Texas Democrat who co-sponsored the budget resolutions Mr. Reagan and the Republicans pushed through the House over the opposition of the Democratic leadership.

Mr. Manatt said Rep. Gramm had participated in strategy sessions of Budget Committee Democrats and then plotted actively with the administration to thwart his own party's position.

Mr. Manatt called the Texas' behavior "an abuse of responsibility" and urged caucus discipline against Rep. Gramm and any other Democrat "with a consistent pattern of actions" against the party positions.

But Rep. Wright suggested that disciplinary action would have to wait. "In due course, at the beginning of the next Congress, we will elect people to committees," he said, "and it is predictable that certain people will not be elected to leadership committees such as Budget, Ways and Means or Rules. But meantime," he said, "we will extend the olive branch to as many as will grasp it."

Officials pointed out that removing Rep. Gramm from the Budget Committee could be initiated by the caucus but would have

to be approved by the full House, where Republicans and Southern Democrats might block it. Other moves, including censure or suspension from the caucus, could be taken by the caucus.

**Gramm Responds**

Rep. Gramm rejected Mr. Manatt's complaints, saying, "I think millions of Democrats, especially in the South and West, are going to be surprised that the chairman of the Democratic Party seems intent on making fiscal responsibility and a commitment to balance the budget primary Republican issues, and seeks to punish those within the Democratic Party who have taken leadership positions in carrying out a mandate which is clearly supported by the majority of the American people."

While this argument rumbled, Democrats celebrated their first victory in a previously Republican district since Mr. Reagan became president. The victory of Mr. Dowdy, 37, the mayor of McComb, over Liles Williams in a district the Republicans had held since 1972 was a distinct upset. Mr. Williams had led in the first primary, spent four times as much as Mr. Dowdy, and flooded the district with endorsements from Mr. Reagan.

Mr. Dowdy, who criticized Mr. Reagan's proposed Social Security cuts and supported extension of the Voting Rights Act, won by an unofficial margin of 1,100 votes in a heavy turnout of 110,000. He said near-solid support from blacks played a "very prominent role" in his victory. The election was to fill the seat vacated by the resignation of Jon C. Hinson.

Rep. O'Neill and Rep. Tony Coelho of California, chairman of the Democratic Congressional Campaign Committee, said the victory showed that voters did not want "rubber stamps for Reagan" in the House.



**UPSIDE DOWN** — Bao-Bao is turned on his head as he climbs around in his cage at the West Berlin zoo. The panda and his mate were a gift to West German Chancellor Helmut Schmidt during a state visit to China in 1979.

# U.S. Doctors Excited About New Drug Found to Control Herpes Simplex Virus

By Victor Cohn  
*Washington Post Service*

WASHINGTON — The ubiquitous herpes simplex virus, producer of problems ranging from cold sores to chicken pox, from infectious mononucleosis to fatal infections, has been successfully suppressed in a test of a new anti-viral drug.

This dramatic achievement of the new drug acyclovir, in 10 Johns Hopkins Hospital patients being treated for leukemia or severe anemia, could lead to far wider uses.

It might be used as a remedy for the heretofore unstoppable recurrences of genital and oral herpes lesions caused by a virus known as herpes simplex 1 that has been transmitted sexually to up to 20 million Americans, as many as 5 million in 1980 alone, according to the American Social Health Association. The babies of women who have active sores during delivery may develop fatal complications.

As many as 40 million Americans may have herpes simplex 1, which causes fever blisters and cold sores around the lips and inside the mouth.

Dr. Rein Saral, director of the Johns Hopkins study, has cautioned against too much generalizing and has said that much work lies ahead.

"But the potential is there," he said. "We've now seen something very dramatic in therapy where before we had nothing. This is one indication that we are now entering a new era of anti-viral therapy."

The Johns Hopkins study originally was to include 60 subjects, but the results were so dramatic that the test was halted after the first 20.

All the Johns Hopkins patients were leukemia or aplastic anemia victims whose usual immunological defenses had been impaired by chemotherapy or radiation, which is a prelude to bone-marrow transplants. Such patients are particularly vulnerable to infections, including potentially fatal herpes infections. About 70 percent of such patients get infections and about 5 percent are fatal, according to Dr. Saral.

**Side Effects Uncertain**

The Saral group gave acyclovir to the 10 men and women scheduled for bone-marrow transplants. Tests showed that all harbored herpes simplex virus, which typically remains present or "latent" for years and periodically may erupt to cause rashes or sores.

The doctors started the drug in these patients three days before the transplants and continued it for another 15 days. None of these patients broke out in herpes infections during this time. But seven of 10 patients given a placebo or dummy compound developed the

**Belgians May Vote at 18**

*The Associated Press*

BRUSSELS — The Belgian Chamber of Representatives this week lowered the voting age for general elections from 21 to 18.

**George Egan, 1967 Kidney Recipient, Dies**

*The Associated Press*

BELMONT, Mass. — George Egan, 58, who in 1967 became one of the first successful kidney transplant patients in the United States, died Tuesday. The cause of death was not disclosed.

**George F. Wilson**

LA JOLLA, Calif. (AP) — George F. Wilson, 78, who as commercial manager of Chicago station WGN in the late 1920s was credited with initiating the organization of the Mutual Broadcasting System, died Tuesday.

**Ervin Rouse**

MIAMI (AP) — Ervin Rouse, 64, the fiddler who composed the bluegrass song "Orange Blossom Special," died Wednesday.

**Rudolf Mach**

PRINCETON, N.J. (UPI) — Rudolf Mach, 58, a Princeton University professor of Near Eastern studies and a leading authority on Arabic manuscripts, died Wednesday.

**Support for Weicker**

Sen. Weicker was recently joined by other liberal and moderate senators and by the American Bar Association as well as civil rights and civil liberties groups in denouncing a proposal by Sen. J. Bennett Johnston, a Louisiana Democrat, that would severely restrict the power of the federal courts to order busing as a desegregation remedy.

According to a letter that has been signed by 15 senators, including Sen. Weicker and Daniel P. Moynihan, a New York Democrat, the Johnston proposal "would radically alter our basic constitutional framework" by usurping the traditional power of the federal courts to interpret and enforce constitutional rights.

Sen. Baker said that his proposal to cut off debate would have the effect of postponing consideration of the Johnston amendment until later in the session. Under the Senate rules, the amendment, which deals with the federal courts, would be ruled out of order since it is not germane to the legislation it would amend, the Department of Justice authorization bill.

**Helms' Proposal**

A cloture vote, however, might not prevent further time-consuming parliamentary maneuvering over another anti-busing proposal, sponsored by Sen. Jesse Helms, a North Carolina Republican. His proposal would be germane to the bill in that it would prevent the Justice Department from using appropriated funds to seek court-ordered desegregation through busing.

A vote for cloture would theoretically clear the way for an expedited vote on the Helms amendment to the Department of Justice authorization bill, which is similar to legislation that was passed by Congress last December but vetoed by President Jimmy Carter.

But Sen. Weicker has indicated that he has additional parliamentary tactics in mind, including dozens of amendments, that could prolong consideration of the Helms proposal long after the cloture vote even if he lost it. And his determination to persist was apparently reinforced by the support he has received from other senators, including Christopher J. Dodd, a Connecticut Democrat, who on Wednesday praised his colleague's "courageous" stand on constitutional principle.

# Reagan Urges Groups Opposed to Abortion To Avoid Judging O'Connor Until Hearings

By George Skelton  
*Los Angeles Times Service*

WASHINGTON — President Reagan has urged critics of Sandra D. O'Connor's past legislative votes on abortion to keep an open mind until she can testify at Senate hearings on her appointment to the U.S. Supreme Court.

Meanwhile, Sen. Strom Thurmond of South Carolina, the Judiciary Committee chairman and a conservative Republican, was predicting Wednesday that Mrs. O'Connor would be confirmed with relative ease. "I expect to support her," he said. "I would say the Senate will confirm her unless something comes up that we don't know about."

The president expressed confidence Wednesday that Mrs. O'Connor would be confirmed as the Supreme Court's first woman justice, and he was reported by a spokesman to be pleased by the favorable reaction from members of both parties in Congress.

Sen. Barry Goldwater, Republican of Arizona, a friend and strong supporter of Mrs. O'Connor, was advised that the Rev. Jerry Falwell, head of the Moral Majority, had announced he would attempt to bring Christians together to "turn their backs on" Mr. Reagan because of the selection. Sen. Goldwater remarked to a reporter that "every good Christian ought to kick Falwell right in the ass."

The White House acknowledged that an apparently orchestrated campaign of letters, telegrams and phone calls concerning Mrs. O'Connor has lobbied heavily against her since it became known a week ago that the Arizona Court of Appeals judge was a leading candidate for the post vacated by the retirement of Justice Potter Stewart.

House Speaker Thomas P. O'Neill Jr., a Massachusetts Democrat, called the nomination the best thing the president had done since he was inaugurated. "In fact it's the first time he's turned the clock ahead during this administration," Rep. O'Neill added.

Mr. Reagan was quoted by David R. Gergen, White House communications director, as hoping

that "those who have expressed concern about Judge O'Connor's views will keep an open mind on the subject until they have a chance to hear her express her own views during the confirmation hearings." Mr. Gergen said the president believes that "when the nominee's views are more fully known, many of the initial reservations that have been expressed will disappear."

The White House emphasized Wednesday that it is Mrs. O'Connor's view that any regulation of abortion in the province of the legislative branch of government, not the judicial, Mr. Gergen said neither Mr. Reagan nor any of his advisers attempted to obtain from Mrs. O'Connor any commitment on specific votes in future Supreme Court cases.

"The conversations with her were in regard to her judicial philosophy," said Mr. Gergen.

Mr. Gergen also said that Mr. Reagan telephoned Mr. Falwell on Tuesday to tell the fundamentalist leader that he was fully satisfied with Mrs. O'Connor's views, and that she had assured him of her personal opposition to abortion.

"While we don't question the [president's] story, we would just like a public statement of some kind or some meeting with the lady to see if her perspective is as the president indicated," a spokesman for Mr. Falwell said.

Mr. Gergen said there had been no decision to urge Mrs. O'Connor to meet with individuals or groups to explain her views before the Senate Judiciary Committee begins its confirmation hearings, which could be delayed until September because of the congressional recess. He also said he did not anticipate major lobbying by her qualifications are sufficiently distinguished.

The controversy involving Mrs. O'Connor centers around four votes she cast between 1970 and 1975 in the Arizona Legislature. According to National Right-to-Life Committee researchers, she voted for a bill to legalize abortion on demand and another bill that could have led to abortions for minors, while voting against a measure urging Congress to adopt a constitutional amendment prohibiting abortions and a bill to ban abortions at the tax-supported University of Arizona Medical Center.

Anti-abortion groups contend that the 1980 Republican platform committed the president to appoint judges who "respect traditional family values and the sanctity of innocent human life," which they interpret as meaning opposition to both abortion and the Equal Rights Amendment.

# California Watchdog Panel Charges Governor's Aides Altered Evidence

*The Associated Press*

SACRAMENTO — A state commission has accused leading aides of Gov. Edmund G. Brown Jr. of destroying and altering evidence in a political-corruption probe. A criminal investigation of the staff was recommended.

Gov. Brown, a Democrat, was not named as a target of the recommended investigation, but at least a half-dozen top state and campaign officials were, as the Fair Political Practices Commission asked the district attorneys of Sacramento and Los Angeles counties Wednesday to conduct criminal investigations.

The watchdog commission — created by a political-reform initiative drafted by Gov. Brown — also asked the State Bar of California to review the conduct of Legal Affairs Secretary Byron Georgiou and his assistant, Mo Jourdan.

The commission's seven-month investigation stemmed from allegations that the aides had leased a computer with state funds and used it to compile political mailing lists. Among other things, the commission said in a 149-page report, a key memo was withheld from investigators.

"Some evidentiary materials were destroyed by persons in the governor's office, other documents were altered and yet others were withheld until the staff had independently discovered their existence," the commission wrote.

# Baker Tries to End Debate On Anti-Busing Proposals

*New York Times Service*

WASHINGTON — The Senate Republican leader, Howard H. Baker Jr., has moved to cut off debate on two anti-busing proposals that have tied up the Senate floor since before the Fourth of July recess.

Attempting to clear the way for action on President Reagan's economic program, Sen. Baker introduced a petition for cloture that, if adopted by 60 senators in a vote scheduled for Friday, would even- tually end what was at first a lonely filibuster against the anti-busing proposals by Sen. Lowell F. Weicker Jr., a Connecticut Republican.

Sen. Baker said he would like to see consideration of controversial "social and emotional issues," including abortion as well as busing, postponed until later this year or next year in order to "get on with the business of the Senate."

But it was uncertain whether the cloture petition would succeed and whether it would clear the way for adoption of either of the anti-busing measures, which have been proposed as amendments to a bill authorizing spending by the Department of Justice. It appeared that debate would continue into next week even if the cloture move succeeded.

# Prison Outing Lets Murderer Escape in U.S.

*United Press International*

TRENTON, N.J. — Police were searching Thursday for a convicted murderer who vanished from a beach outing as a special privilege for good behavior.

"Five inmates went into the bathroom, and four came out," said Jim Stabile, a spokesman for the state Corrections Department. "The supervisor thought the inmate had just gotten lost, so they searched the beach for him." An alarm was not issued until three hours after the escape.

The prisoner, Zlatko Mujadzic, a 23-year-old Yugoslav immigrant, was sentenced to life in prison in 1976 for beating a 67-year-old gold-and-silver collector to death.

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# Congratulations on six World-Class Records

- On Monday, June 15, 1981, Joachim, "Jo", Blumschein, businessman-pilot, claimed six new world-class performance records for business class propjet aircraft. The records were set in the following categories:
- fastest time-to-climb to 3,000 meters (10,102 ft.) in 2 minutes 12 seconds
  - fastest time-to-climb to 6,000 meters (19,944 ft.) in 4 minutes 40 seconds
  - fastest time-to-climb to 9,000 meters (29,786 ft.) in 8 minutes 08 seconds
  - fastest time-to-climb to 12,000 meters (39,629 ft.) in 14 minutes and 00 seconds
  - maintained level flight record at 13,777.0 meters (45,200 ft.)
  - absolute altitude record of 14,325.6 meters (47,000 ft.)\*



Jo Blumschein flew our Gulfstream Commander Jetprop 980, a standard aircraft for business flights. Once again his records prove that on average European middle-range flights the Gulfstream Commander is almost equivalent to fanjets in performance and flying time. However, it uses 50% less fuel.

Five of these records now broken were also held by earlier models of Jetprop Commander aircraft. The 12,000 meter record was set for the first time.

We extend to Mr. Blumschein and his BAT-Air Flugdienst GmbH at the Cologne/Bonn airport our best wishes for the future — may it be as successful as the past! That was "First Class"!



**GULFSTREAM AMERICAN CORPORATION, COMMANDER DIVISION**

Please send information material on the "Gulfstream Commander Jetprop".

**BAT-Air Flugdienst GmbH**  
D-5000 Köln 90 (Flughafen), Postfach 980240.  
Telephone (022 03) 4025 82-5. Telex 08874 673.

Name: \_\_\_\_\_  
Company: \_\_\_\_\_  
Street: \_\_\_\_\_  
Area Code/Place: \_\_\_\_\_

\*These records are being verified by F.A.T.



Festivals

Guitarists Strum Up Fête

By Michael Zwerin
International Herald Tribune
PARIS — Although it is one of the most difficult of instruments to become a virtuoso on, a guitar is cheap, portable, self-sufficient and quiet, and, along with tennis, its popularity is one of the few things that widely differing political systems have in common.

The Stage
Spirited SpooF
On Detectives

By Thomas Quinn Curtiss
International Herald Tribune
PARIS — Claire Töisen of the United States, Ted Keijser of the Netherlands and Russel Cheek of Australia were fellow students at Jacques Lecoq's school for stage training. On graduation they formed their own company, Double Take, and now have concocted a show in English, "The Last Laugh" at the Espace Marais.

Theater in Britain

'Wonderland': Flawed Caricature of Hollywood

By Sheridan Morley
International Herald Tribune
LONDON — The fact that we had within the last year no less than three small-scale musicals about prewar Hollywood suggests that somebody somewhere must think they are a good idea; the fact that only one of the three (Dick Vosburgh's joyous "A Day in Hollywood, a Night in the Ukraine") has actually worked suggests that they are more difficult to achieve than might at first appear.

Dance
Evocative 'Ghost Dances' Staged by Ballet Rambert

By Noel Goodwin
International Herald Tribune
LONDON — South American victims of oppression through the ages, and the folk songs of different countries there, furnish an eloquent theme for "Ghost Dances," the latest work by Ballet Rambert's associate choreographer, Christopher Bruce.

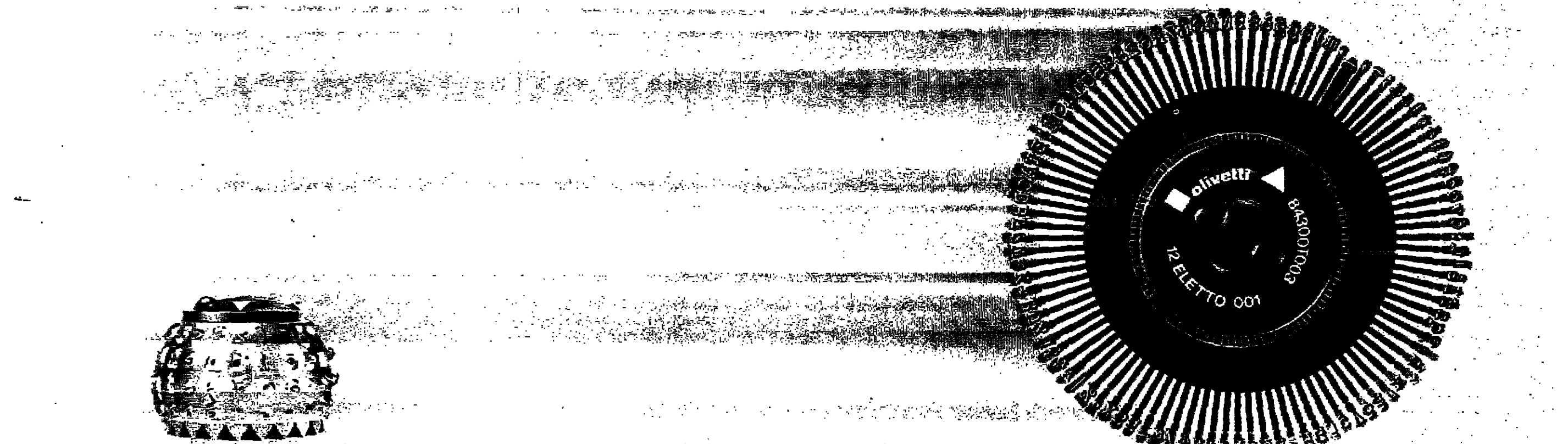
Film Censorship

South Africa Eases Bars

By Noel Hughes
JOHANNESBURG — After 17 years of strict censorship, full frontal nudity and four-letter words are no longer taboo in films screened in South Africa. Critics had long complained about the censors' heavy-handed treatment, which they said frequently ruined good films. But a new attitude has emerged, and South Africans are seeing virtually uncensored versions of films.

Music
'New' Mozart
Played in U.S.

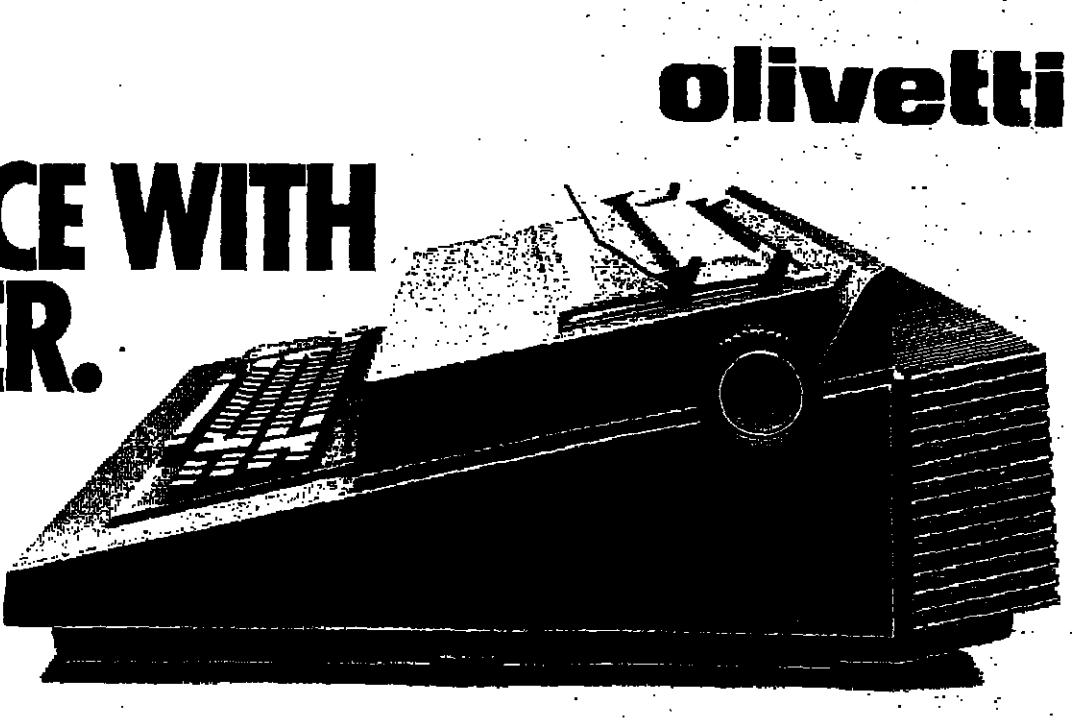
By Fred Farris
WASHINGTON — New York's Mendelssohn Festival gave the U.S. premiere, at Washington's Kennedy Center, of a long-lost symphony written by Mozart at age 9. The performance of the 10-minute composition, Symphony in F major, K.19a, was the highlight of a brilliant program Wednesday. The New York group is participating this week in the first Kennedy Center Festival of Festivals, which extends through the summer.



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Moreover, the Olivetti family of Olivetti electronic typewriters besides being the most advanced technologically, is also the most complete. For these reasons Olivetti is the world's leading manufacturers in this field, as well as in others. And for these reasons the obvious choice in typewriters is an Olivetti electronic typewriter.



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Olivetti Portuguesa S.A.R.L. - Lisboa
Olivetti (Suomi) Oy - Helsinki



BUSINESS NEWS BRIEFS

Canadian Banks Get Full Status in New York

NEW YORK — Five major Canadian banks have received permanent licenses to engage in full-service banking in New York after having been prohibited from engaging in consumer banking activities there.

Until Wednesday's action, Canadian banks had confined their New York activities primarily to money market functions because state law bars the granting of full-service privileges to foreign banks from countries that do not offer comparable reciprocal privileges to New York banks.

No Japanese Buyer for Rollei's Singapore Unit

TOKYO — Rollei-Werke Franke & Heidecke has failed to obtain Japanese support to save its Singapore subsidiary, Canon president Yuzaburo Kato said.

Fiat in Accord With State Engineering Group

ROME — Fiat has signed a letter of intent to study ways of collaborating with the state engineering group Finmeccanica in the car industry, Finmeccanica parent IRI said.

Hudson Bay Affiliate Buys U.S. Coal Mines

TORONTO — Hudson Bay Mining and Smelting said its 50-percent-owned Inspiration Coal has completed the acquisition of the privately-owned Sovereign Coal Group and its affiliate, Harman Mining, for about \$152 million.

Union Oil of California to Sell Canadian Firm

CALGARY, Alberta — Union Oil of Canada has been put on the auction block by its parent, Union Oil of California, as experts estimated the current value of the Canadian subsidiary at \$1.25 billion to \$1.67 billion.

The parent company announced Wednesday that it had completed the redemption of 7 million common shares of Union Oil of Canada at a cost of about \$108.3 million in order to deal directly with potential purchasers.

Sources in Los Angeles, home of the parent company, said Wednesday that the \$65 per-share valuation placed on the redemption bid "reflects the value we attach to the Canadian operations." Potential buyers include the Canadian government-owned company, Petro-Canada; the Nova and Alberta Corp., and Dome Petroleum.

Cities Service Leases Pull Possible Suitors

By Leslie Wayne

NEW YORK — In the fast-paced, big-money world of oil company mergers, a name that has been in the news with increased frequency is Cities Service, the Tulsa, Okla., conglomerate and 20th-largest U.S. oil company.

In the flurry of activity that preceded the \$6.82-billion purchase earlier this week of Conoco by Du Pont, Cities Service was in the ring, talking of a possible Conoco merger.

This week, there was talk on Wall Street of a possible bid by Texaco for Cities Service, and Wednesday this talk prompted Charles J. Waidlich, president and chief executive officer of Cities Service, to state: "Cities Service is not engaged in any discussion of merger with Texaco Inc. or any other company."

When asked whether Cities Service was ruling out all possible mergers, a company spokesman replied: "Yes."

Nevertheless, Cities Service remains attractive in the eyes of possible suitors, most notably companies seeking extensive U.S. acreage for oil and gas exploration.

Cities Service has 10.4 million undeveloped leased acreage — the fifth-largest holding in the United States — including in the rich Overthrust Belt. The company also has natural gas reserves of 3.1 trillion cubic feet.

Already Mesa Petroleum, which has a reputation for sharp investments, has bought at least 1 percent of Cities Service's outstanding shares. And Nu-West Group, a Canadian real estate and oil company, recently purchased 7.2 percent of Cities Service, however, has sued to block the Nu-West sale.

"Cities has lots of acreage in the Overthrust area that's the main interest," said Carey E. Tharp, an oil analyst with Sullivan, Maynard & Co. "It's a big asset-value company. The assets of the company would be worth well over \$100 a share if the company is liquidated."

It is for this reason that Cities Service's shares have been climbing in heavy volume from \$49.875 July 1 to \$55.75 Wednesday.

This gain came despite the drop in first-quarter earnings to \$57.7 million from \$170.1 million a year earlier. Earnings slipped up to \$2.3 billion from \$2.2 billion.

Follow the Leaders "It's a self-fulfilling prophecy," said Joseph S. Clark Jr., first vice president at Wertheim & Co. "Mesa bought a position and Nu-West bought a position. These are two smart groups attracted to the asset. That leads a lot of other investors to be attracted."

Cities Service is not without flaws. Despite its extensive undeveloped acreage, it has yet to make a major oil find. Its own oil reserves produce only about 30 percent of its petroleum needs, below industry averages.

Refinery earnings are down, and Cities Service has few retail outlets and sells its product largely to wholesalers, making margins on its refined oil even slimmer.

Its chemical division has been operating at a loss for two years, and earnings at its mineral division have fallen since 1979. In May, Cities Service announced it would sell most of its mineral division, a copper operation and an industrial chemical division, and plow the proceeds into oil and gas.

While this move will raise cash, the company still faces a heavy debt burden. Debt represents about 35 percent of Cities Service's total capitalization, compared with an industry average of 25 to 30 percent.

Analysts say one reason why Cities Service has not lived up to its potential is the numerous high-level management shake-ups over the years. As a result, the company has failed to develop a clear-cut corporate strategy and has not directed more funds into exploring its domestic acreage, they reason.

U.S., France Seek Accord On Subsidies

By Carl Gewirtz

PARIS — The semi-annual Economic Outlook put out by the Organization for Economic Cooperation and Development, normally a tough talking document, refused to take sides in the issues dividing Western policy-makers in its summer report published Thursday and said basically what already is well known.

The subtitle of the report, "Delayed Recovery," says it all. The timing of the West's economic upturn, which in December's report was forecast for the first half of this year, has been "delayed by six months or more."

The report, which covers the next 18 months, says, "the picture is less buoyant than suggested last autumn," adding that when the recovery gets underway it will be "modest" and accompanied by inflation and unemployment "which are too high, yet hard to reduce."

Overall, the report makes less exciting reading than the two previous issues, which placed policy-makers' options in more dramatic terms. But the report's 24 OECD member governments shared a uniform analysis of the problems as well as the proposed solutions.

That currently is not the case and the OECD secretariat has directed its efforts away from the general reader and toward its member governments who are engaged in a heated polemic over the high-interest-rate policy of the United States. Continental Europeans have made repeated calls for less reliance on a tight monetary policy and better use of budget and tax policy to steer the U.S. economy to healthier ground — a position that was reiterated yet again at the July 30-21 economic summit conference in Ottawa.

The aim of the OECD report is to defuse the arguments; but nowhere does the report attempt to come to grips with the basic argument over whether the long fight against inflation needs to be replaced with an urgent program to stimulate employment.

Both Cabinet officers said that the United States had been making progress in talks with the new French Socialist government of President Francois Mitterrand over reducing the use of below-market interest rates in credits that exporting countries offer foreign purchasers.

Mr. Brock said, "I think we may reach agreement [with France.] I think we are making progress." Mr. Baldrige added: "I don't want to court the chickens before they're hatched, but I see daylight."

France is generally acknowledged as the country that has probably made the most extensive use of the subsidized credits to seek export advantage, and sentiment has been growing in Congress for retaliation by the United States.

Economic Darwinism But the U.S. policy holds out little help for troubled industries affected by imports that have, according to a recently published white paper, a "natural competitive advantage."

It was this element that drew most of the critical questioning. The Senate trade subcommittee chairman, Sen. John C. Danforth, a Missouri Republican, labeled it a policy of "survival of the fittest."

[Murray L. Weidenbaum, the chairman of President Reagan's Council of Economic Advisers, also defended the administration's position on government subsidies at Thursday's session. The Associated Press reported. Said Mr. Weidenbaum: "In these circumstances our domestic industry must either find a way of upgrading its own capabilities or shift resources to other activities."

[Sen. Danforth pressed Mr. Weidenbaum on the Japanese practice of targeting some industries — such as computers — and helping their growth. Mr. Weidenbaum replied by saying that he had no confidence in the ability of government to pinpoint future growth areas.]

Further, Mr. Brock insisted that it was "not the business of government" to protect companies against failure, and said the case for trade relief "has to be good" to win administration approval.

Imperial Halts Alberta Project

TORONTO — Imperial Oil is suspending a 12-billion-Canadian-dollar (\$10 billion) oil sands project at Cold Lake, Alberta, until the federal and provincial governments agree on oil pricing, Canada's largest oil company has said.

Company Chairman Jack Armstrong said Wednesday that Imperial Oil had decided to suspend the project because it appeared unlikely that an agreement establishing commercial terms would be reached for some time. Imperial Oil will reassess its position once the two governments reach agreement, he said.

The Cold Lake plant is designed to produce about 140,000 barrels of oil a day by the mid-1980s.

OECD Sees Delay in Economic Upturn

By Carl Gewirtz

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U.S. Dismisses Two of Carter's Antitrust Suits

WASHINGTON — The Justice Dept. has dismissed two antitrust suits filed against businesses by the Carter administration, providing new indications of a major shift in national antitrust enforcement policy. The action marks the first time since 1976 that the department has dismissed a case after it was filed, a spokesman said.

One of the cases dismissed Wednesday was filed against Mack Trucks and the National Distributor Advisory Council, a group of independent distributors who are appointed by the truck company to sell Mack products. The suit was brought just eight days before the close of the Carter administration. It charged the truck concerns with violating antitrust laws by imposing price discounts for Mack truck parts.

In effect, the Mack decision means that Mr. Baxter is likely to view efforts by suppliers to set resale prices for their goods as legal, a reversal of Carter administration policy.

The second case dismissed Wednesday was filed last July, seeking to block a 1979 acquisition of Citicorp Corp. of Reading, Pa., by Ibsco-Johnson Ltd., an English company. The merger combined two of the leading producers of facing brick in a 13-state northeastern market.

The non-profit group's Business Cycle Dating Committee, composed of seven academic economists, is widely considered the most authoritative voice on the existence, timing and duration of recessions. Its business-cycle chronology dates back to 1854, and its business-cycle evaluations have been adopted as official by the Commerce Department.

"The depth and breadth of the contraction in early 1980 clearly marked it as a recession in spite of its unusual brevity," the bureau said Wednesday. The committee fixed last July as the trough of the decline, although some indicators — such as gross national product, retail sales and total civilian employment — reached their low point in May or June.

U.S. Recession Lasted 7 Months

NEW YORK — The economic decline that began in the United States in January, 1980, bottomed out just seven months later to make it the shortest recession on record, according to the National Bureau of Economic Research.

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CURRENCY RATES

Interbank exchange rates for July 9 1981, excluding bank service charges.

Table with columns for Currency, U.S. \$, and other exchange rates. Includes entries for Australian \$, Canadian \$, Danish krone, etc.

Dollar Values

Table with columns for Country, U.S. \$, and other dollar values. Includes entries for Australia, Austria, Belgium, etc.

Dollar Off Slightly as Gold Makes Gains

From Agency Dispatches

LONDON — The U.S. dollar after a volatile day closed lower against most major currencies as traders took profits.

Gold rose in London to close at \$405.50 an ounce — up from Wednesday's close of \$398.00, its lowest price in 18 months.

"Following Wednesday night's strong advance by the dollar stemming from the rise in U.S. bank prime rates, some profit-taking has developed in the dollar," said a dealer for Barclay's Bank International. Major U.S. banks — including Citicorp, Manufacturers Hanover Trust, Morgan Guaranty and Chemical Bank — raised their prime lending rates Wednesday by 1/2 percent to 20 1/2 percent.

In London, the dollar closed at 5.8675 French francs. The dollar closed at 2.4653 Deutsche marks after opening at 2.4670. It weakened overnight on a belief that the Federal Reserve Board may have relaxed its tight monetary policy, dealers said. The high Fed funds rate and speculation about further increases in U.S. prime rates then pushed up the dollar, although it eased again when the Fed added reserves to the banking system.

"The dollar has risen like a phoenix from the ashes," said Handelsblatt, a West German financial and economics daily. "If at the beginning of the year anyone had predicted the dollar in a few months would be just under 250 marks in value he would have been laughed at."

Unless a change of Fed policy is perceived, traders are now confident that the dollar will continue to strengthen. "We can expect it to reach the 250 mark level by the end of next week," predicted one New York dealer.

In other currency action, the British pound opened \$1.8777 and closed at \$1.8778. The dollar closed at 229.45 yen (down from Wednesday's close of 229.90), 2,106.00 Swiss francs, 1,225 lire, 40,375 Belgian francs and 2,745 Dutch guilders.

West Germany's volume of exports is forecast to soar 10 1/2 percent next year against an increase of imports of only 2 1/2 percent. As a result, Bonn's current-account deficit is seen

to be 10 percent of G.D.P. next year, the report states.

(Continued on Page 9, Col. 1)

N.Y. Prices Up on News Of Takeovers

From Agency Dispatches

NEW YORK — Prices on the New York Stock Exchange closed higher Thursday, with takeover candidates sparking the rally.

The Dow Jones industrial average rose 5.52 points to close at 959.00. Advances outpaced declines three to two as turnover reached 45 million shares.

Analysts said the gain was largely a "technical bounce" from the market's oversold condition, but they noted investors were encouraged by the Federal Reserve's actions to add liquidity to the banking system, which they said could indicate the Fed is easing monetary policy slightly.

In Washington, Treasury Secretary Donald Regan said he still expects a lower prime rate and lower interest rates by the end of the year and he did not rule out a single-digit prime rate in 1982. However, he expressed disappointment that most major U.S. banks raised their prime lending rate Wednesday a half point to 20 1/2 percent.

In company news, Monsanto has been sued for \$1.35 billion by former employees who claim they were exposed to toxic chemicals that caused health problems ranging from cancer to heart disease.

According to the workers' lawyer, the suit filed Wednesday in a Charleston, W.Va., court increases the total damages sought from the chemical manufacturer to more than \$4 billion.

On the trading floor, Texas Gulf was active after blocks of 100,000 shares at \$4 1/4, 102,500 shares at \$4 1/2 and 107,300 shares at \$4 1/4. Elf-Aquitaine of France plans to buy the company.

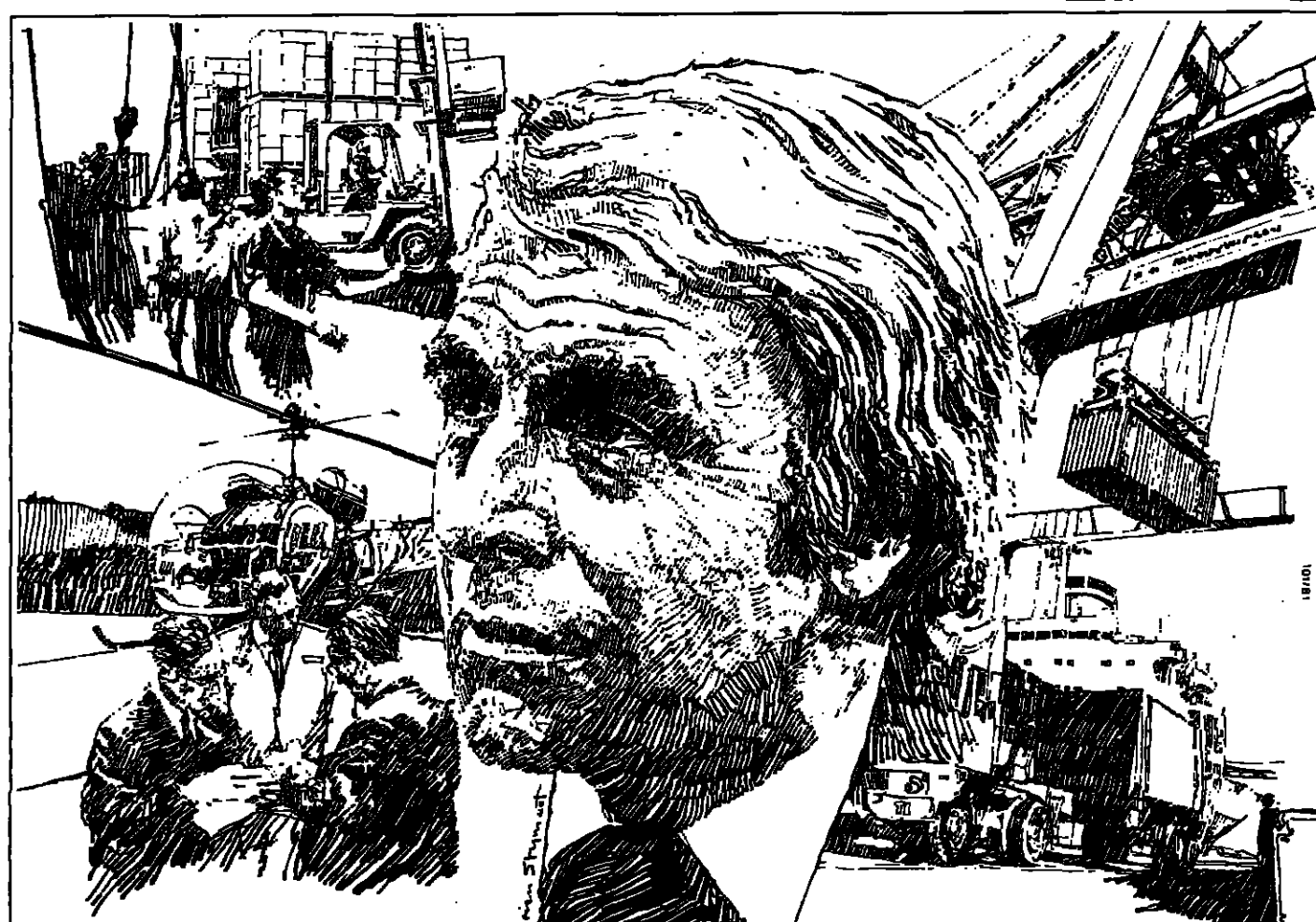
Cities Service, which fell 3 1/2 points Wednesday after denying speculation that it was involved in merger discussions, was higher in after trading.

General Dynamics Refuses Airbus Role

From Agency Dispatches

ST. LOUIS — General Dynamics said Thursday it will not participate in the Airbus Industrie A-320 commercial airliner program.

The U.S. aerospace company said that it declined to join in the A-320 consortium "because we believe that opportunities with greater near-term growth potential for General Dynamics will be forthcoming in areas other than commercial transport aircraft."



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Trade Development Bank. Showed at left, head office of Republic National Bank of New York, U.S. subsidiary of the Trade Development Bank Holding Group. The 29th largest bank in the United States, ranked by order of deposits. Republic is one of America's fastest-growing financial institutions.



# NYSE Nationwide Trading Closing Prices July 9

Tables include the nationwide prices up to the closing on Wall Street.

12 Month High	12 Month Low	Stock	12 Month High	12 Month Low	Stock	12 Month High	12 Month Low	Stock	12 Month High	12 Month Low	Stock
14 1/2	14 1/4	AAR	11 1/2	11 1/4	AMC	11 1/2	11 1/4	AMT	11 1/2	11 1/4	AMT
14 1/2	14 1/4	AAI	11 1/2	11 1/4	AMC	11 1/2	11 1/4	AMT	11 1/2	11 1/4	AMT
14 1/2	14 1/4	AAI	11 1/2	11 1/4	AMC	11 1/2	11 1/4	AMT	11 1/2	11 1/4	AMT

12 Month High	12 Month Low	Stock	12 Month High	12 Month Low	Stock	12 Month High	12 Month Low	Stock	12 Month High	12 Month Low	Stock
14 1/2	14 1/4	AAR	11 1/2	11 1/4	AMC	11 1/2	11 1/4	AMT	11 1/2	11 1/4	AMT
14 1/2	14 1/4	AAI	11 1/2	11 1/4	AMC	11 1/2	11 1/4	AMT	11 1/2	11 1/4	AMT
14 1/2	14 1/4	AAI	11 1/2	11 1/4	AMC	11 1/2	11 1/4	AMT	11 1/2	11 1/4	AMT

## STOCKS MARK TIME BUT PROFIT SEEKERS SHOULD SEIZE BARGAINS

The lull on New York market is prelude to eruption of buying

Fake signals that interest rates are about to decline have kept New York stock prices in a stall for the past several weeks. But while the public is preoccupied by the popular averages, cracks recommended recently by CAPITAL GAINS RESEARCH have scored substantial short-term gains. Among them are SHARLEE CORP., MURPHY OIL and F.W. WOOLWORTH.

CAPITAL GAINS, an international and independent research organization, operates on the premise that stock movements are caused by influences other than prevailing industry analysis or broad swings in public sentiment. Earlier this year, airline stocks were being unloaded because of high fuel costs and low passenger loads. That was the time CAPITAL GAINS recommended the purchase of such as AMERICAN DELTA and EASTERN. Just as Wall Street reworked its view of the big airline industry, CAPGAINS was selling into the clients of CAPITAL GAINS were picking up substantial short-term profits.

Now the establishment has knocked down oil stocks, meaning spreading the word that the world is awash in oil. The public isn't told that the temporary overcapacity of oil is a deliberate move by Saudi Arabia to moderate the large rise in crude prices that occurred in 1979 and 1980. This reasoning in any event ignores the value inherent in oil companies with huge U.S. reserves, including MOBIL CORP. CAPITAL GAINS has always shown its focus on the convention; it stays out of step with investment fads and fashions, and can demonstrate that stocks at the top of the list parade are most often overlooked by the marketplace and the source of large profits. For complimentary issues of CAPITAL GAINS weekly reports, send the coupon below, or phone.

**CAPITAL GAINS RESEARCH**  
 Established by  
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 1012 PE AMSTERDAM, BALTIMORE, MD.  
 Phone (301) 251-0477, Telex 183336.

NAME \_\_\_\_\_  
 ADDRESS \_\_\_\_\_  
 PHONE \_\_\_\_\_

12 Month High	12 Month Low	Stock	12 Month High	12 Month Low	Stock	12 Month High	12 Month Low	Stock	12 Month High	12 Month Low	Stock
14 1/2	14 1/4	AAR	11 1/2	11 1/4	AMC	11 1/2	11 1/4	AMT	11 1/2	11 1/4	AMT
14 1/2	14 1/4	AAI	11 1/2	11 1/4	AMC	11 1/2	11 1/4	AMT	11 1/2	11 1/4	AMT
14 1/2	14 1/4	AAI	11 1/2	11 1/4	AMC	11 1/2	11 1/4	AMT	11 1/2	11 1/4	AMT

# RAS

## RIUNIONE ADRIATICA DI SICURTÀ

MILAN - ITALY

**HIGHLIGHTS OF ACCOUNTS**  
**RAS ONLY, DOMESTIC AND FOREIGN BRANCH OFFICES**  
 (in US dollars) 1980

Premium Income	894,137,644
Investment Income	104,352,321
Claims, Maturities and other Benefits paid	493,787,138
Insurance Reserves, Non-Life Branch	734,703,025
Insurance Reserves, Life Branch	619,342,525
Life Sums assured	4,620,873,687
Share Capital	23,213,326
General Reserves	275,352,418
Profit for the year	4,986,582

**PREMIUM INCOME OF THE RAS GROUP (ITALY AND ABROAD)**

1976	1,000
1977	1,100
1978	1,200
1979	1,300
1980	1,400

**SALES OF THE RAS GROUP**

Premium income breakdown in 1980 (in US \$)

RAS (in Italy and abroad)	894,137,644
Other Italian Group Companies	140,435,510
Foreign Group Companies	868,739,680
<b>Total premiums</b>	<b>1,903,312,834</b>

RAS Group, Life Business  
 Total Sums assured \$ 9,648,114,145

The Company's Accounts for the year ended December 31, 1980 were approved at its Annual General Meeting held on June 30, 1981 with Mr. Ettore Lolli in the chair. These Accounts mark a significant yardstick on which the company's future performance can be measured, as they provide the first combined figures of both Riunione Adriatica di Sicurtà and L'Assicurazione Italiana following the merger of this former subsidiary into RAS.

Results achieved in the Company's various lines of business are reviewed in detail in the Directors' Report.

Overall premium income from direct insurances amounted to Lit. 831.9 bn. Of this total, Lit. 459.7 bn. was attributable to direct premiums written in Italy, where volume rose by 19.3% in the individual life account, 20% in the Fire Account, 24.4% in the Motor Liability Account, 34% in the General Motor Account, 20.6% in the Personal Accident Account, 24% in the General Liability Account, and 21% in the Theft Account.

Loss ratios were maintained at acceptable levels in virtually all the Company's principal lines.

Proposals were adopted to pay a dividend of Lit. 1,400 per share (1979: Lit. 1,200), and also for a scrip issue of Unione Subalpina di Assicurazioni shares to be allotted to all RAS's existing shareholders to mark the special occasion of the merger.

Elections were also made to the Statutory Audit Committee, on the expiry of its three-year term of office, while Lord Thorneycroft was formally elected to the Board following his earlier co-option as a Director.

The dividend is payable as from July 21, 1981 and the scrip stock will also be allotted as from that date.



OECD Sees Delay in Economic Upturn

(Continued from Page 7) shrinking from the \$17 billion forecast for this year to \$5.25 billion next year...

The OECD itself has settled for what it labels a "central forecast" calling for real growth next year of 1 1/2 percent...

est rates is to the economic well-being of the rest of the world. The U.S. current account is forecast to move from a surplus of \$4.5 billion this year to a deficit of \$3.5 billion next year...

Scoring Financial Touchdowns on 'Pure' Option Plays

By Vartan G. Vartan New York Times Service NEW YORK — In the high-risk game of call options, there is nothing like the "square play" to excite a speculator...

buy in August 100 shares of stock at a price of \$35 each. The August 35 call ran ahead 6 1/2 to 19 1/2. Both the common stock and the options of Texasgulf were responsible...

and an earlier bid for Conoco, a call option that was languishing near the zero level not so long ago has performed in dazzling fashion. This particular item, trading on the Philadelphia Stock Exchange, is the July 70 call option for Conoco...

seventh," which is as low in price as an option can get. The thinking then, of course, was that there seemed to be little appeal in an option that was so low; Conoco's stock price was nearly 14 points below the option's exercise, or striking price.

by they were closing out a profitable short position in the call, which had traded as high as 10 1/2 in the final quarter of 1980. Or, according to brokers, someone might have sold Conoco's common stock short late last year and, at the same time, purchased the call as "insurance" to minimize a loss if Conoco's stock had kept climbing.

Flash... Paris Bourse JULY 9, 1981 Table with columns for COMPANY, INDUSTRY, 1980-81 HIGH-LOW, CLOSING PRICE, HIGH-LOW, YIELD, and LATEST COMPANY NEWS.

COMPANY REPORTS Revenue and profits, in millions, are in local currencies unless otherwise indicated. Table with columns for Company, Revenue, Profits, and Per Share.

INTERNATIONAL REAL ESTATE

WINZEN Toronto - Canada Apartments for Sale Prices from \$69,000 to 89,000 Cash 50% 5 year rent guaranty from 8-10% on cash invested.

LEHNDORFF your consultant and partner for investments in North American Real Estate DIRECT OWNERSHIP in the hotel/apartment complex "Sutton-Place" in downtown Toronto.

Golf Course, Tennis Courts, Health Spa, Marina, 'Elegant Club' Apartments from \$200,000 to \$2,000,000. Turnberry Isle Yacht and Racquet Club.

For buying, selling, renting or managing REAL ESTATE in the PRINCIPALITY of MONACO CONSULT: AGEDI (J. de Bear, President)

Your place in the sun. The Landfall, an exclusive Florida residence, is an exceptional investment with all the warmth of beach, sun and sea.

In France... minutes from GENEVA, SWITZERLAND PENTHOUSE APARTMENT (Terrace overlooks Alps and Jura) 2 bedrooms and baths, living room with fireplace, many modern, special features, 2 garages.

SANGRE DE CRISTO RANCHES OWN LAND IN THE GREAT AMERICAN WEST Here's an outstanding opportunity to acquire a sizable piece of America's ranchland at a very modest cost and on easy credit terms.

MAINE - USA ENCHANTING COTTAGE ON PENOBSCOT BAY 12 rooms. Elaborate sums opens to ocean view deck. \$110,000.

ARGENTINA Invest in a young and growing agricultural country with some of the best farmland in the world. INVERAGO S.A. offers you: investment management, legal and tax advice, and the implementation of intensive farm management programs.

COSTA BRAVA Luxury villas for sale in exclusive residential area (S'Agaró) Unique 17th century country house Authentic renovated 1976, floor space 700 sq.m., grounds 3000 sq.m., view to the Mediterranean sea, fully furnished (partly antique furniture). Price \$Fr. 535,000 or equivalent.

BETTER THAN GOLD Studio, apartment, chalet 10,000 S.Fr. initial deposit. Large mortgages at 6 1/2% interest p.a. Or just one or more weeks on a timeshare basis (with Swiss title deed) entitling purchaser to a free lifetime annual holiday in more than 500 resorts worldwide.

EATON PLACE, BELGRAVIA, LONDON SW1. Spanning the third floor of two classical white stucco fronted period houses in the heart of the capital's foremost residential neighbourhood, this is an exceptional flat of almost 2,000 sq. ft. (186 sq.m.) newly remodelled to superb standard and with luxurious new carpets and curtains throughout.

SWITZERLAND VALAIS 25 to 150 m2 - 1 to 5 rooms - built 1970-79 - interest rate: 6.5% - duration: 15 years \* OWNER-BUILDERS. DIRECT SALE - VAL PROMOTION SA Avenue de Mide 10 - CH 1950 SION - ☎ 027 / 23 34 95 MANAGEMENT - RENTING - DOMICILIATION - INSURANCE

MAJESTIC PASADENA VILLA Mainly built woodwork 17-room Mediterranean villa with fine waterwork, marble floors, Italian tile, bronze doors. 5 bedrooms with baths, 2 bedrooms suite, several family/guest rooms, several quarters, panoramic views of Los Angeles basin & California island from lush landscaped 2-acre hilltop with tennis court & pool. Big tree & entertaining convenient to schools shopping and recreation. \$2,750,000. 1974/85

NEW YORK CITY MIDTOWN LOCATION 15 Stories - 300 Rooms HOTEL 100,000 Sq.Ft. Possible Conversion Exclusive Agent HUBERTH & HUBERTH, Inc. S.L. Edelmann 488 Madison Avenue New York, N.Y. 10022 U.S.A. (212) 486-9797

U.S. REAL ESTATE INVESTMENTS San Antonio, Texas, 9th largest U.S. city offers condominium investments financeable for non U.S. citizens. Downpayments from U.S. \$15,000 to U.S. \$50,000, no payments for first year. The finest quality in the area. Possible to double your money in 3 years. Write European representative: Univest S.A./P.O. Box 303 • 3340 A.H. Hendrik, Number 1 DO Ambacht, Netherlands • Phone: 1858-7222 • Telex: 20509 IKES/NL

LUXURIOUS ROMAN VILLA - APPIAN WAY Situated on the prestigious 2,000 year old Appian road, 1.5 miles from Rome center, 5,100 sq. mtrs. beautifully appointed garden, large swimming pool and guest house. Main house = 430 sq. mtrs. on 2 floors - 6 bedrooms, 5 bathrooms, 10 additional rooms terraces. Guest house: 2 bedrooms, 2 baths, living kitchen, U.S.\$ 1,200,000. Write: Dr. R. BEBLES, 66 Hoeschgasse, Zurich, Switzerland 8008 Tel: (01) 47 1904.

PREVIEWS INC. 3670 Wilshire Blvd. Los Angeles, CA 90034, U.S.A. (213) 937-0703

MARBELLA - SPAIN Rare opportunity to acquire a really outstanding luxury villa in a most exclusive and elite area. A millionaire's paradise only minutes from the Marbella Club and Puerto Banus. Call or write: Inmobiliaria Enrique Castro, Avenida Ramon y Cajal, NR. 1, 1st floor, Apt C, Marbella. Tel: Marbella 774550. Telex: 774523 APXE E. Or: Strategic International, 61, Park Lane, London W1 - Tel: (01) 493 1401, Telex: 893433 Sturge.

LAKE PROPERTIES Minutes Away From ATLANTA INTL. AIRPORT Within Metro Atlanta, 115 acres lake surrounded by choice wooded homesites 1 1/2 acres plus. Write: Darwish International, Inc. 233 Peachtree Street, Harris Tower 1502, Atlanta, Georgia 30303. Tel: (404) 524-0999. Telex: 804362 (Darwish ATL). 20 Years Financing Available at 12% interest.

Important ROME firm specialized in tourist sector for sale of Italian style articles of prestige (jewelry, silverware, knick-knacks) offers for SALE 2 SHOPS with license and inventory. 140 and 222 sq.m. with independent apartment 14.5 sq.m., twin baths, also usable as office space. Centrally located, Saint Peter area. Offers to: N° 24-D 900324, PUBLICITAS, 6901 Lugano, Switzerland.

PIAGET The specialists in ultra thin watches The Jeweler you cannot miss EDWARD JEWELS Via V. Veneto 187 Tel. 49 38 09 Roma



# NYSE Nationwide Trading Closing Prices July 9

Tables include the nationwide prices up to the closing on Wall Street.

12 Month High	12 Month Low	Stock	In	Yld.	P/E	100s	High	Low	Close	Chg.
21	17	Ortel	48	2.18	17	14	14 1/2	14 1/2	14 1/2	+ 1/4
22	18	Outback	48	2.18	17	14	14 1/2	14 1/2	14 1/2	+ 1/4
23	19	Overseas	48	2.18	17	14	14 1/2	14 1/2	14 1/2	+ 1/4
24	20	Overseas	48	2.18	17	14	14 1/2	14 1/2	14 1/2	+ 1/4
25	21	Overseas	48	2.18	17	14	14 1/2	14 1/2	14 1/2	+ 1/4

## Canadian Indexes

Index	July 9, 1981	Previous
Montreal	3933	3937
Toronto	2328	2328

## Toronto Stocks

Stock	High	Low	Close	Chg.
2411 Bank N S	22 1/2	22 1/2	22 1/2	+ 1/4
1225 Bath Co	14 1/2	14 1/2	14 1/2	+ 1/4
1225 Bath Co	14 1/2	14 1/2	14 1/2	+ 1/4

## Selected Over-the-Counter

Stock	High	Low	Close	Chg.
1225 Bath Co	14 1/2	14 1/2	14 1/2	+ 1/4
1225 Bath Co	14 1/2	14 1/2	14 1/2	+ 1/4
1225 Bath Co	14 1/2	14 1/2	14 1/2	+ 1/4


## Montreal Stocks

Stock	High	Low	Close	Chg.
1225 Bath Co	14 1/2	14 1/2	14 1/2	+ 1/4
1225 Bath Co	14 1/2	14 1/2	14 1/2	+ 1/4
1225 Bath Co	14 1/2	14 1/2	14 1/2	+ 1/4

## Tokyo Exchange

Stock	High	Low	Close	Chg.
1225 Bath Co	14 1/2	14 1/2	14 1/2	+ 1/4
1225 Bath Co	14 1/2	14 1/2	14 1/2	+ 1/4
1225 Bath Co	14 1/2	14 1/2	14 1/2	+ 1/4

12 Month High	12 Month Low	Stock	In	Yld.	P/E	100s	High	Low	Close	Chg.
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24	20	Overseas	48	2.18	17	14	14 1/2	14 1/2	14 1/2	+ 1/4
25	21	Overseas	48	2.18	17	14	14 1/2	14 1/2	14 1/2	+ 1/4



## Empresa Nacional Hidroeléctrica del Ribagorzana, S.A. (ENHER)

£15,000,000

Medium Term Sterling Facility

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**Crédit Lyonnais**  
**Hill Samuel & Co. Limited**  
**The Industrial Bank of Japan, Limited**

Agent Bank **Lloyds Bank International Limited**  
A member of the Lloyds Bank Group

## European Stock Markets

July 9, 1981  
(Closing prices in local currencies)

Amsterdam		Paris	
Stock	Price	Stock	Price
ACF Holding	42.50	Air Liquide	42.50
ALCO	20.00	Alcatel	20.00
Alcatel	20.00	Alcatel	20.00
Alcatel	20.00	Alcatel	20.00

London		Zurich	
Stock	Price	Stock	Price
AA Brew	1.20	Alpine	1.20
AA Brew	1.20	Alpine	1.20
AA Brew	1.20	Alpine	1.20

Brussels		Frankfurt	
Stock	Price	Stock	Price
Arbed	1.10	AEG	1.10
Arbed	1.10	AEG	1.10
Arbed	1.10	AEG	1.10

## Eurocurrency Interest Rates

July 9, 1981

Term	London	Frankfurt	Zurich	Paris	Brussels
1M	12 1/2%	12 1/2%	12 1/2%	12 1/2%	12 1/2%
3M	12 1/2%	12 1/2%	12 1/2%	12 1/2%	12 1/2%
6M	12 1/2%	12 1/2%	12 1/2%	12 1/2%	12 1/2%
1Y	12 1/2%	12 1/2%	12 1/2%	12 1/2%	12 1/2%

## Floating Rate Notes

Closing prices, July 9, 1981

Bank	Rate	Bank	Rate
American	12 1/2%	Deutsche	12 1/2%
American	12 1/2%	Deutsche	12 1/2%
American	12 1/2%	Deutsche	12 1/2%

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AMEX Nationwide Trading Closing Prices July 9

Tables include the nationwide prices up to the closing on Wall Street.

Main AMEX stock price table with columns for stock symbols, prices, and changes. Includes sub-sections for 12-month stock prices and various market indices.

Chicago Futures July 9, 1981

Chicago Futures table listing prices for commodities like wheat, corn, soybeans, and soybean meal.

U.S. COMMODITY PRICES

U.S. Commodity Prices table listing prices for various commodities such as sugar, coffee, and cotton.

International Monetary Market

International Monetary Market table showing exchange rates for various currencies.

Market Summary

Market Summary table providing a snapshot of market activity, including NYSE and AMEX indices.

New York Futures July 9, 1981

New York Futures table listing prices for commodities like orange juice, coffee, and sugar.

Dividends

Dividends table listing dividend payments for various companies.

Thursday's New Highs and Lows

Thursday's New Highs and Lows table listing stock price movements.

Paris Commodity Prices

Paris Commodity Prices table listing prices for commodities in Paris.

Cash Prices July 9, 1981

Cash Prices table listing current market prices for various goods.

Russia Will Increase Finnish Ship Orders

News article snippet: HELSINKI — The Soviet Union will buy from Finland much more than the scheduled \$7.2 billion worth of ships in bilateral deals over the next 10 years, Soviet import chief O.S. Kropotov said.

London Metals Market

London Metals Market table listing prices for various metals.

Commodity Indexes July 9, 1981

Commodity Indexes table showing price index values for various commodity groups.

German Output Forecast

News article snippet: BERLIN — West Germany's national output is likely to fall by about 1.5 percent this year despite a surge in export demand in the past few months, the German Institute for Economic Research said.

London Commodity Prices

London Commodity Prices table listing prices for commodities in London.

European Gold Markets July 9, 1981

European Gold Markets table listing gold prices in various European cities.

Gold Options (prices in \$/oz.)

Gold Options table listing prices for gold options contracts.

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